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include Duke Energy, Piedmont Electric, and Public Service of NC (gas). Partnerships with these organizations will be central to the success of this initiative.

**Chapel Hill and Carrboro are Primed for an Energy Alliance**

Chapel Hill and Carrboro have already begun to pursue this path through various initiatives. Since 2001 and in cooperation with Orange County, Chapel Hill and Carrboro have become members of ICLEI-Local Governments for Sustainability, made a commitment to the five milestones of the US Cities for Climate Protection program, and signed on to the Mayor's Climate Protection Agreement. In recognition of our commitment to energy efficiency, all traffic lights in Carrboro have been converted to LED lighting and Chapel Hill is scheduled to complete the same task within the fiscal year. Carrboro also worked with Triangle J's Waste Reduction Partners to complete energy audits of all municipal buildings in 2008, and Chapel Hill has conducted audits of various facilities since 2005.

A new fire station is currently being built to LEED silver standards in Carrboro, and Chapel Hill's Fire Station #1 is equipped with a multitude of energy efficiency upgrades, including both solar thermal and photovoltaic arrays. Additionally, Chapel Hill has established a revolving "Energy Bank" for energy efficiency projects on Town buildings, and in 2009, both Towns were recognized by the NC League of Municipalities for "Advanced" status under the League's Green Challenge for a variety of sustainability practices, including supporting NC Green Power. Carrboro is currently working with Duke Energy to use municipal property for photovoltaic installation, and the Town of Chapel Hill is nearly nine months into a pilot project with Duke Energy to explore LED streetlighting along the 100 block of Franklin St.

The Towns are recognized leaders in addressing energy use in transportation via a highly innovative fare free Transit system; progressive land use planning; aggressive pursuit of bicycle and pedestrian infrastructure, including on road facilities, sidewalks, and greenways; and use of alternative fuels. Chapel Hill has also established a Green Fleets program, which requires municipal vehicles to meet energy efficiency standards when purchased and while operating. Carrboro's fleet includes a number of hybrid and alternatively fueled vehicles as well.

Our local water and sewer utility, Orange Water and Sewer Authority, in cooperation with the University of North Carolina, has created arguably the State's best water conservation program, including an innovative reuse component. In a similar vein, Orange County has arguably the most successful recycling program in the State and along with UNC is in the process of developing a methane gas recovery program. UNC, located

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in downtown Chapel Hill, has committed to being climate neutral by 2050. Our location within a triangle community that is committed to a new energy future provides many opportunities for successful collaboration.

Chapel Hill has been allotted an EECBG formula grant of \$554,900. The Town has retained consultants to assist with development of an energy strategy, which is being designed—in part—to support the Town's interest in the Retrofit Ramp-up program. Specifically, Chapel Hill plans to implement a number of activities that would provide the foundation for an energy alliance, such as: an on-bill utility feedback mechanisms to spur voluntary energy conservation; an on-bill financing program with the water utility which may expand to electricity and gas; social marketing for energy efficiency to increase voluntary conservation and competition among neighborhoods; and neighborhood canvassing in residential areas to offer audits and low-cost solutions.

With a population just under 20,000, Carrboro has been preparing for imminent release of State competitive EECBG funds for non-formula jurisdictions. While the details of this submittal and potential award are pending, Carrboro is prepared to commit a significant portion of these funds to the establishment of an energy alliance. Carrboro has applied for technical assistance through the State Energy Office in consideration of these EECBG funds, and intends to use this assistance to complete detailed assessments of Town buildings and pursue recommended retrofits. Carrboro is also prepared to use local matching funds to support additional staffing with a primary responsibility of establishing the alliance and pursuing retrofits. Our intention is to pursue this immediately to allow us to be as well positioned as possible to participate in Phase 1 of your effort, assuming your bid is successful.

One of the most important immediate activities for the Towns to pursue is to work with our other utility providers, Duke Energy, Piedmont Electric, and PSNC to define their participation in an alliance. These providers all currently offer various energy assessment and efficiency programs to customers, so our coordination efforts will focus on their capacity to help with additional and coordinated efforts.

#### Financing

The means for financing will be an important determinant of an energy alliance's success. We agree with the three goals established in Charlottesville/Albemarle County, and "strawman" tiers of service:



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1. We want customers to implement the most sensible energy improvements that save both energy and money. We intend to provide the information, delivery system, financing and risk management to make it safe to invest, make sure it works and make sure it pays for itself.
2. We want contractors and trade partners to get certified, to guarantee their work, and in return, we will bring motivated customers that have prearranged financing.
3. We want lenders and financial partners to enjoy a solid, risk-free return.

*Tier One (encouraged for virtually every homeowner)*

A basic weatherization and energy efficiency loan, for improvement measures up to \$8,000, a seven year term, at 5% interest. Monthly payments are under \$100. This will permit substantially effective energy efficiency gains in most homes, in most cases with a two - three year payback or less.

*Tier Two (for more extensive retrofits)*

A robust energy improvement loan, permitting substantial improvements (for example, Tier one, plus HVAC upgrade, appliance upgrade, possibly solar hot water; or if Tier was previously completed, HVAC or a renewable generation application such as solar or ground source) up to \$25,000, a 15 year term, at 5% interest. Monthly payment is under \$200.

*Tier Three (for major retrofits)*

A loan program for major retrofits, with a loan amount (large enough to encourage solar, ground source or other appropriate renewable application) up to \$50,000 over 25 years and 5% interest. Monthly payment is under \$300.

We intend to look into a portfolio of financing mechanisms. We will work closely with SEEA, the State, and our local partners to capitalize the alliance and pursue financing in a means that will create deep and sustaining market penetration. It is premature to specify these details, pending full review and buy-in from all stakeholders. However, several initial points are worth mentioning. In order to achieve DOE's leveraging goals, we will need support by other utility and public incentives. The North Carolina General Assembly has recently passed legislation that will allow the Towns to explore PACE/special district financing as well as a revolving loan fund. In 2008 and 2009, the NC General Assembly passed S.L. 2008-165 (H1770), S.L. 2009-522 (H 1389), and S.L. 2009-525 (S97) that we are actively exploring to determine the details of the authority

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provided to us to fund and assess energy improvements on private property. We are excited by the potential impact of this innovation and exploring ordinances for local implementation.

The NC Utilities Commission has established renewable portfolio standards that support opportunities for renewable retrofits. On bill financing will be an important avenue of exploration, and we are open to power purchase agreements and third party financing. We intend to engage local banks and credit unions to provide loan making and servicing capability using the capital pool. So instead of being limited to one option, such as on bill financing with a few utilities, we would like to consider all potential financing options that offer attractive rates. Determining the best solution or combination of options will be an important initial milestone.

Program Funding

Our funding strategy is to develop a pool of capital from diverse sources and use it to finance the alliance's start up and customers' energy projects. Initially we will capitalize the program with federal Stimulus funds including energy block grant distributions and, we hope, SEEA grant support. Chapel Hill and Carrboro have AAA and A+ bond ratings, respectively, but we are cautious about adding to debt load in the near term. However, we intend to consider all reasonable bonding arrangements. In a similar fashion, we will work with our local banks to consider their partnership in both loan making and loan servicing. Revenue sources besides stimulus funds will need to be diverse, and could include: funds offered by local governments, private donors, grants and foundation support, and Clean Renewable Energy Bonds and Qualified Energy Conservation Bonds.

In terms of sources of operating income for a local alliance, we envision operations to be supported by:

- project fees
- membership revenue
- website advertising
- fees from special programs, seminars, conferences
- potentially, subscription data sales from a database



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Energy Rating, Audits, and Retrofits

Home and commercial energy audits will obviously be a central component of a local energy alliance. It is premature at this point to identify specific parties to pursue these audits, but our recommended process can be outlined. We believe that a successful auditing approach will build on Home Performance with Energy Star (HPwES). HPwES is a comprehensive energy efficiency program for existing residential building stock with clear requirements and standards for participation. It incorporates building science best practices such as:

- an in depth energy audit (called a Comprehensive Home Energy Audit)
- Building Performance Institute standards and certifications
- testing in and out procedures
- third party quality assurance and conflict resolution procedures (Carrboro has 3 Class III building inspectors that can help meet third party quality assurance)
- programmatic reporting requirements

From census data, Chapel Hill and Carrboro have about 27,500 and 8,000 households, respectively, and have established a preliminary goal of spending \$1M and \$325k of federal funds, respectively serving 7-8% of this market over the 3-year course of this project (average of \$3k investment per residence). These households reside in about 4,500 buildings, in Carrboro and 11,100 in Chapel Hill. One of the ideas Chapel Hill and Carrboro would like to explore through this initiative is neighborhood scale efficiencies especially in "Tier 1" audits. Much of Chapel Hill and Carrboro's residential building stock has substantial redundancy within neighborhoods based on when and by whom residences were built. The area closer to downtown is older, with most buildings being older than the suggested 15 year age threshold for HPwES candidates. Carrboro has 537 non residential buildings, and Chapel Hill has close to 4M square feet of commercial space. The majority of these establishments are office space and small businesses. Chapel Hill and Carrboro have established a preliminary goal of spending \$225k and \$70k of federal funds and serving 6% and 14%, respectively, of these over the course of this project (average of \$6k per establishment in Carrboro and \$3/sq ft in Chapel Hill). Carrboro's commercial sector is characterized by small businesses in a tightly knit community, many in a small downtown. Much of the commercial building stock is older and may warrant larger investments to realize substantial efficiency gains. Given this profile, some of the approaches recommended in DOE's Rapid Deployment Energy Efficiency Toolkit such as non-residential rebates and retrocommissioning, and commercial food service incentives warrant consideration. Chapel Hill's

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commercial sector is more dispersed, with older building stock located in the downtown area and newer commercial businesses situated along major transportation corridors leading out of town.

Organizations such as the downtown business associations, Carrboro's Economic Sustainability Commission and Local Living Economy Task Force and the Foundation for a Sustainable Community provide a fertile environment for pursuing commercial retrofits. The Towns and county maintain fairly detailed data about various building characteristics and construction that can support neighborhood scale education and outreach efforts, potentially promoting more rapid and comprehensive retrofits with fewer up front resources. We recognize that this possibility needs to be tempered with a need for rigorous quality assurance and monitoring and verification.

#### Workforce Development

The local area has a strong workforce, with the energy professional's database maintained by NCSU Solar Center database showing 205 energy analysts serving Orange County, with 46 of these having professional experience as energy raters. North Carolina has 50 RESNET certified raters or rating providers, with about 20% of these operating in or within half an hour of Chapel Hill and Carrboro. This capacity in relatively small towns provides ample workforce to "hit the ground running." North Carolina's strong Community College system, including a campus of Durham Technical Institute in Orange County less than 10 miles from Chapel Hill and Carrboro, is well equipped for workforce training. NC State University and NC A&T, both within 30 miles, provide ample additional education and training support.

#### Marketing

Chapel Hill and Carrboro's approach to marketing and promotion will be to utilize a spectrum of distribution channels appropriate to our engaged and accessible community. These will include both electronic and print media (e.g., community access TV and radio, internet, community based newspaper) as well as person to person/door to door campaigns. As a small, community oriented, educated, progressive, and creative Towns, marketing will present a minor hurdle. We intend to develop a more complete marketing plan in the near future after addressing organizational and financial details. Clear cornerstones of the marketing strategy will be transparency and comprehensive delivery of service to customers.

The Towns appreciate the opportunity to work with SEEA, and will certainly benefit from the experience and technical assistance of SEEA. Examples of where SEEA can likely support this initiative include: PACE



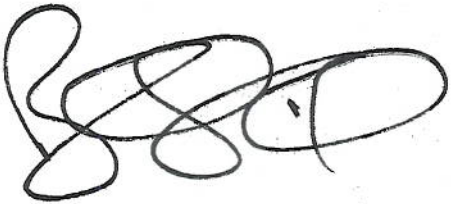
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bill structuring and implementation; development of a marketing strategy; integration with utility incentive programs; monitoring and evaluation; and recommendations for workforce training.

Sincerely yours,



Steven Stewart, Carrboro Town Manager



Roger L. Stancil, Chapel Hill Town Manager

SS/rd

Cc: Department Heads, Carrboro Board of Aldermen, Chapel Hill Town Council, Orange County, OWASA

# Celebration

## Community Development District

610 Sycamore Street, Suite 140, Celebration, FL 34747  
407-566-1935; FAX 407-566-4128

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December 7, 2009

Southeast Energy Efficiency Alliance  
c/o Mr. Ben Taube, Executive Director  
P.O. Box 13909  
Atlanta, GA 30324

**RE: Commitment Letter for Application to the DOE for EECBG Funds  
(DE-FOA-0000148)**

Dear Mr. Taube:

It is our pleasure to submit this commitment letter to the Southeast Energy Efficiency Alliance (SEEA) in support of Celebration Community Development District's participation in a Southeast Regional application to DOE for the competitive EECBG funds. We support the regional approach and see value in the leveraging of peer cities through strategic planning and deployment of energy efficiency. We also give SEEA the authority to submit the regional application which will include our Community Development District as a partner through the attached Executive Summary to establish the Florida Energy Alliance. This regional application will seek the maximum award of \$75 million.

Please feel free to contact me with any questions. We see this as a unique opportunity to progress energy efficiency in an area of the country where it is needed.

Sincerely,

/s/ Cliff Akey, Chairman

Cliff Akey, Chairman  
Board of Supervisors  
Celebration Community Development District



# FLORIDA ENERGY ALLIANCE

Proposal to the DOE "Retrofit Ramp-Up and General Innovation Fund Programs"  
Under DE-FOA-0000148



The **Celebration Community Development District**  
is creating the **Florida Energy Alliance** in conjunction with the **Southeast Energy  
Efficiency Alliance** to serve its citizens  
and replicate our successful model  
to other cities and communities across Florida.

## **Our Mission:**

*"Helping Floridians achieve substantial energy cost savings through investments  
in energy efficiency and renewable resources for our homes and businesses  
resulting in a cleaner greener planet."*

## 1. EXECUTIVE SUMMARY

**Project Title:** Celebration Community Development District: Creating the "Florida Energy Alliance"

The first Florida Energy Alliance is a community-wide sponsorship creating a new solution to the challenges of environmental stress, energy consumption, and job creation, completely supporting Goal 1 "Clean Air and Global Climate Change" of EPA's Strategic Plan. The Florida Energy Alliance will have a dramatic impact to cost-effectively reduce greenhouse gas (GHG) emissions and provide healthier air in Celebration, Florida and will replicate our unique program design and energy savings potential to other cities and communities across Florida. This community-based method of broadly increasing adoption by aggregating consumer demand, providing trusted action-based responses to significantly improve energy efficiency in homes and businesses and harness renewable resources will translate into quantifiable improvements in air quality, energy performance, and employment in green-technology.

The Florida Energy Alliance is being created to serve the community of Celebration and our mission is "Helping Floridians achieve substantial energy cost savings through investments in energy efficiency and renewable resources for our homes and businesses resulting in a cleaner, greener planet." We have assembled a broad coalition of stakeholders to serve on our Board of Directors, including members of the Celebration Community Development District, Progress Energy, Celebration Non-Residential Owner's Association, Florida Solar Energy Industries Association, and the Celebration Foundation.

**Applicant:** Celebration Community Development District (EIN: 65-0479329; DUNS: 80-784-7715)  
**Contact:** Shailesh Adhav [SA@SixthFuel.com](mailto:SA@SixthFuel.com)  
**Address:** 1416 Craftsman Avenue W, Celebration, FL 34747  
**Phone:** 407-704-9518; Fax: (801) 740-8216

**Funding Requested:** \$516,800 of federal funding under the General Innovation Fund Programs – Topic Area 2

**Total Project Cost:** The \$1,418,800 total project cost is composed of \$516,800 (36%) federal funding and \$902,000 (64%) in non-federal cost share/in-kind funds.

**Project Period:** Spanning three years through 2012.

**Reductions and Outputs Summary:** As referenced in this table, the summary results from our analysis of recommended policies eliminates 13,463 metric tons of CO<sub>2</sub>, 6.5 metric tons of SO<sub>2</sub>, and 4.1 metric tons of NO<sub>x</sub> through the end 2012 as our program drives savings outputs of 21,900 GWh through 2012 across residential and commercial buildings which includes Utility Savings Targets, Public Awareness Incentives, Appliance Standards and On-Site Renewable (Solar) programs. Due to the ongoing benefits of our savings programs, 3,664 metric tons of CO<sub>2</sub> in annual GHG reductions will continue at these rates.

With energy savings projected at 21% across the community and market penetration averaging 30%, the Florida Energy Alliance is confident the program model and Application meets the criteria of our mission. Further, we estimate these energy savings to approximate \$1.8 million and provide over \$10 million in economic impacts providing 144 new jobs in our local economy.

Category of Pollutant Savings (metric tons)	Savings Achieved through 2012
CO <sub>2</sub> Savings	13,463.5
NO <sub>x</sub> Savings	6.5
SO <sub>2</sub> Savings	4.1
<b>Buildings Retrofitted</b>	2,318
<b>Attendance at Workshops &amp; Outreach Events</b>	25,800
<b>Energy Efficiency Policies (GWh)</b>	
Utility Savings Targets	15,254
Public Awareness Incentives	4,827
Appliance Standards	411
On-Site Renewables	1,426
<b>Total GWh Savings</b>	<b>21,919</b>
% Savings	21%
Community Wide Adoption	30%
<b>Financial Benefits</b>	
\$ Savings	\$ 1,812,743
Economic Impacts	\$ 10,524,000
Jobs Created	144





# *City of Charleston*

*Joseph P. Riley Jr.  
Mayor*

December 3, 2009

SouthEast Energy Efficiency Alliance  
C/o Mr. Ben Taube, Executive Director  
P.O. Box 13909  
Atlanta, GA 30324

Dear Mr. Taube:

The City of Charleston is committed to making energy efficiency improvements an everyday, every building, citywide, business proposition. To that end, the City is leveraging over \$250,000 towards the creation of a new nonprofit entity, called the Charleston Energy Efficiency Partnership (CHEEP). The purpose of CHEEP is to administer an energy efficiency market transformation program. While the program will target all buildings across the city initially, ultimately, we intend to reach every building in the Charleston Metropolitan Region. The time frame from creation and startup to a full suite of energy efficiency service offerings administered through CHEEP, including reprogramming of utility bills, is estimated at eight months.

The City has analyzed numerous program components and recommends that the best vehicle for this program is via a nonprofit or separate business entity relying on the Charleston Water System for its on-bill repayment mechanism. Combined with an ongoing partnership through our local electric and gas utility, new loan products and incentives will lower the barriers to adoption of energy efficiency improvements for every property owner. Other program partners, such as the Sustainability Institute of South Carolina and Trident Technical College, add value in the form of workforce training and development, third party verification and brand recognition. Still more program partners, including Johnson Controls and the Coastal Conservation League will offer energy efficiency solutions as well as regulatory landscape improvements that speed the delivery and variety of program offerings.



P.O. Box 652, Charleston South Carolina, 29402  
Telephone: 843-577-6970 Fax: 843-720-3827



# *City of Charleston*

*Joseph P. Riley Jr.  
Mayor*

CHEEP is a key recommendation of our climate action plan, known locally as the Charleston Green Plan. The City of Charleston has long demonstrated leadership in sustainability and energy efficiency, most recently through the completion of multiple phases of an energy performance contract with Johnson Controls.

The basic mechanics of the program are as follows: conforming loan products are taken out by members of the financing district and are estimated to average approximately \$5000 per residential dwelling unit. Following a building audit, construction and third party verification, a monthly surcharge is then added to the property owners' water utility bill for a period of up to twenty years. Realized energy cost savings offset the utility surcharge thus allowing for the partnership and participant to ensure timely, accurate and regular repayment. Finally, bundled loans are sold into secondary capital markets, expanding the pool of financial resources available to the program.

Building audits will initially be performed through the Sustainability Institute. Over time and with the support of Trident Technical College, the pool of program certified contractors will grow and the Sustainability Institute will transition into the role of a third party verifier. Comprehensive energy audits performed by the Sustainability Institute take approximately 3 hours and cost between \$0.18-\$0.24/sq foot at an average cost of \$600 per building. These costs, along with the costs of energy efficiency improvements and those of program administration, are all built into the loan product. Marketing distribution channels include but are not limited to coordinated large scale media buys via SouthEast Energy Efficiency Alliance (SEEA), email blasts, event promotions, social media, and other channels such as direct mail. Setup and re-tooling of the existing utility billing system is estimated to take eight months at a cost of approximately \$100,000.

CHEEP is projected to serve a total of approximately 4,045 residential customers and approximately 500,000 sq ft of commercial/industrial customers over the initial 3 year period of the program. Equated to dollars, the residential sector, at an average investment of \$5000 per



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## *City of Charleston*

*Joseph P. Riley Jr.  
Mayor*

customer, will deliver in excess of \$20 million dollars in energy efficiency improvements. On the commercial/industrial side, based on an average investment of \$5 per square foot per customer, the projected energy improvements will be in excess of \$1.7 million dollars over 3 years. The overwhelming majority of improvements will address weatherization, electricity and water efficiency, with natural gas efficiency improvements included as well. With a total initial program delivery scale of approximately \$25 million, CHEEP requests access to \$5 million in operating capital through SEEA and the US Department of Energy.

Lastly, CHEEP includes an existing partnership between the South Carolina Energy Office (SCEO) and the City of Charleston. Together, we are working to build a statewide network of programs, similar to CHEEP. SCEO has already been instrumental in the pursuit of PACE enabling legislation, to further develop the suite of options for energy efficiency improvements available to all Carolinians. A second area of focus involves working with the SCEO and our local utility partners to increase the size and variety of incentives offered to its customers. Equally important to CHEEP, the City of Charleston, and the State of South Carolina is SCEO's workforce development efforts that boost the availability and quantity of a qualified workforce. We are also beginning to work with SCEO to adapt and alter state building codes to incorporate advanced energy efficiency improvement standards.

SEEA has provided strong and high quality support throughout the application process and over the course of the development of CHEEP. Moving forward, SEEA will benefit the City of Charleston, CHEEP and its customers through the development of a unified marketing strategy, provision of a robust information technology network that supports the exchange of ideas among all program partners, development of incentive programs, and assistance with the creation of an administrative model and revolving loan structure for CHEEP. The City of Charleston feels our proposal to develop CHEEP and facilitate a market transformation is strong and we remain committed to bringing about significant change in energy use throughout the city, region and state.



*P.O. Box 652, Charleston South Carolina, 29402  
Telephone: 843-577-6970 Fax: 843-720-3827*

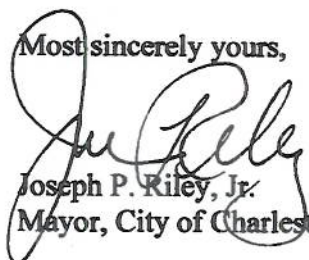


## ***City of Charleston***

***Joseph P. Riley Jr.  
Mayor***

For all of these reasons, I am pleased to submit our proposal and letter of intent to participate in SEEA's network of energy efficiency programs as well as the application to the US Department of Energy supporting development of this network. We look forward to continuing to work with you as well as the other program partners. Please feel free to contact our Director of Sustainability, Mr. Brian P. Sheehan at (843) 973-7228 with any questions regarding this proposal or our energy efficiency partnership.

Most sincerely yours,



Joseph P. Riley, Jr.  
Mayor, City of Charleston



***P.O. Box 652, Charleston South Carolina, 29402  
Telephone: 843-577-6970 Fax: 843-720-3827***





December 10, 2009

Mr. Ben Taube  
Southeast Energy Efficiency Alliance  
Post Office Box 13909  
Atlanta, Georgia 30324

Dear Mr. Taube:

It is my pleasure to submit this letter of commitment in support of the Southeast Energy Efficiency Alliance's retrofit ramp-up application to the U.S. Department of Energy (DOE). The City of Charlotte (City) supports the regional approach of this effort, which will bring together a regional market strategy for local governments to effectively deliver energy efficiency deployment.

Having just recently submitted our Energy Efficiency and Conservation Strategy (EECS) to DOE on December 3, 2009, Charlotte intends to participate in this effort as a Tier II city. This approach will allow Charlotte to successfully develop and begin to implement three community-based energy efficiency programs contained in our EECS: 1) the Commercial Retrofit Program (EECBG amount of \$1.2 million); 2) the Residential Energy Efficiency Improvement Program (EECBG amount of \$600,000); and 3) the Neighborhood Energy Challenge (EECBG amount of \$650,000). It is these three programs that would form the basis of Charlotte's retrofit ramp-up program. Having the extra time to develop and implement these programs will allow Charlotte to fully take advantage of additional retrofit ramp-up funds and technical expertise if they become available.

#### **Commercial Retrofit Program**

The intent of the Commercial Retrofit Program is to assist commercial building and apartment complex owners with assessing and implementing energy retrofit projects. Focused on the City's business corridor revitalization geography, the commercial building component will incentivize the renovation of older commercial structures and the location of new businesses and jobs in the City's priority corridors and business areas. The apartment component, also focused on the City's business corridor revitalization geography, will promote the reinvestment and revitalization of older and distressed rental apartment complexes.

#### **Residential Energy Efficiency Improvement Program**

Under the second program, the City's goal is to reduce energy consumption, reduce energy costs, and provide healthy indoor air quality in homes where the residents cannot afford to perform these tasks on their own. This program will complement the City's existing housing

Mr. Taube  
Page Two

rehabilitation programs by providing energy efficiency and weatherization improvements and targets homeowners who apply to the City for housing rehabilitation assistance.

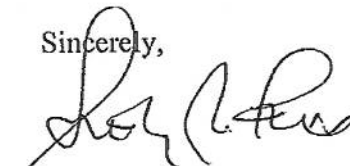
**Neighborhood Energy Challenge**

Building on recent studies that indicate that neighborhood programs are one of the most effective ways to overcome the barriers of voluntary participation in energy efficiency improvements, the Neighborhood Energy Challenge will encourage neighborhood-level involvement in planning and implementing energy solutions. Any neighborhood in Charlotte can apply for the Neighborhood Energy Challenge; five neighborhoods will be selected based on factors such as community participation, plan impacts, and geographic diversity. Selected neighborhoods will be eligible to receive grants to implement their energy action plan, which could include home energy audits, energy improvements, recycling participation programs, and transit ridership access and participation initiatives.

These community programs will be overseen by Charlotte's Neighborhood Business Services department and will involve the efforts of our Energy Partners, which helped the City develop its BECS and will be integral in its implementation: Duke Energy; Piedmont Natural Gas (PNG); UNC-Charlotte; Central Piedmont Community College; Bank of America; Wells Fargo; Mecklenburg County; and Charlotte Center City Partners. In particular, the City will leverage the energy and technical expertise of these entities as well as potential financial resources. For example, the City intends to take advantage of energy audit and retrofit programs currently deployed by Duke Energy and PNG. In addition, the City is working closely with Duke Energy and Bank of America to explore the establishment of an energy efficiency loan program using on-bill financing to recover the loans. Also available to the City to finance energy efficient retrofit programs is recently passed state legislation that will allow Charlotte to explore alternative financing mechanisms as well as revolving loan funds. Charlotte, with the assistance of UNC Chapel Hill's School of Government, has been exploring the possibilities presented by this new legislation.

With the additional resources that may be available to Charlotte through the Southeastern Energy Efficiency Alliance's regional collaboration and the retrofit ramp-up program, Charlotte believes that it can take its three community programs to the next level and become one of the leading energy efficient communities in the Southeast. We look forward to the partnerships and opportunities that this program affords its participants.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony R. Foxx", is written over a horizontal line.

Anthony R. Foxx  
Mayor

cc: City Council  
Curt Walton, City Manager





**City Manager's Office**  
509 North McDonough Street  
PO Box 220  
Decatur, GA 30031  
404-370-4102 – Fax 678-553-6518  
info@decaturga.com – www.decaturga.com

December 10, 2009

The Honorable Secretary Steven Chu  
U.S. Department of Energy  
1000 Independence Avenue, SW  
Washington, D.C. 20585

Re: City of Decatur Letter of Commitment for Application to the DOE for EECBG Funds (DE-FOA-0000148)

Dear Secretary Chu:

It is our pleasure to submit this letter of commitment to the U.S. Department of Energy regarding the Southeast Energy Efficiency Alliance (SEEA) application to the EECBG grant program. The City of Decatur supports this regional approach and sees value in working with the City of Atlanta to leverage strategic planning and deployment of energy efficiency education and financial support. We would like to take this opportunity to illustrate the City of Decatur's commitment to creating a successful residential and commercial retrofit program, and highlight the ways in which we intend to collaborate with City of Atlanta to accomplish our goals.

The City of Decatur is the second oldest incorporated community in the Atlanta region. Located six miles east of downtown Atlanta, Georgia, Decatur is a highly urbanized small city of about 18,000 residents. The City of Decatur covers 4.2 square miles of area and is one of the most densely populated cities in Georgia. The active downtown district maintains its small town character while supporting over 200 restaurants and shops. The City of Decatur is committed to sustainability, and recently received bronze level certification from the Atlanta Regional Commission's Green Communities Program. Several years ago, the city became a signatory to the Mayors' Climate Protection Agreement and we have also taken the Governor's Energy Challenge to reduce our emissions by 15 percent below FY 2007 levels by 2020. Among other efforts, we have completed four energy audits in order to promote energy efficiency upgrades to municipally owned facilities. To finance the improvements recommended in the audits, the City of Decatur partnered with two small cities in an application to the Georgia Environmental Facilities Authority's Energy Efficiency and Conservation Block Grant program in November 2009. Funding approval is still pending.

It is important to note that although the City of Decatur and the City of Atlanta have developed separate budgets and letters of commitment, the program should be viewed as a partnership.

### **PROGRAM OVERVIEW**

The City of Decatur began the planning process for this program in a May 2009 bid to SEEA to launch a community energy alliance. Although our bid was not selected, it gave us the opportunity to begin identifying partners and strategies to further develop effective city programs. Since October, we have been collaborating with SEEA and the City of Atlanta to develop a partnership that would accomplish our goal of helping property owners to invest in energy efficiency upgrades. Based on the outcome of these meetings, the City of Decatur plans to task an existing non-profit organization with marketing and monitoring responsibilities for participants within our jurisdiction. The City of Atlanta will handle the application review and the vetting of contractors and auditors for participants residing in both jurisdictions. This will allow the City of Decatur to maintain close contact with our participants while minimizing the ramp-up costs that would traditionally be involved with this type of program.

The level of collaboration on this project has been impressive, both from organizations willing to contribute financially, as well as to contribute staff time and other resources. Atlanta Gas Light (AGL) and Georgia Power, both major utility companies serving Atlanta and Decatur, have committed to working with our participants. Many of the leverage opportunities outlined in the City of Atlanta's Letter of Commitment are applicable to the City of Decatur as well. The City of Decatur is also collaborating with local organizations including Decatur First Bank, the Decatur Preservation Alliance and the City's volunteer Environmental Sustainability Board, to administer the program.

As with the City of Atlanta's program, capital buy-downs have been included in order to improve project economics to the degree that property owners are excited to undertake improvements. To further enhance the value and integration of this proposal, a portion of the capital buy-downs may be subject to property-owner agreement to sign onto the Governor's Energy Challenge, in which they pledge to reduce their energy efficiency by 15 percent over their 2007 baseline levels per square foot. In addition to these incentives, our project will provide participants with streamlined access to existing incentives provided by the federal and state government, as well as from AGL and Georgia Power. Using these financing sources as well as private investment from participants and other organizations, the Decatur program is estimated to achieve a 7:1 leverage ratio for EECBG funding, and create 41 jobs.

Additionally, Decatur First Bank has committed to exploring options to make low interest loans available to participants to finance the remaining cost of the upgrades. They have worked on similar projects in the past and are supportive of promoting energy efficiency in our community. Currently, they have expressed interest in direct financial support of loans to participants either through direct payment or the creation of a loan loss reserve fund. This could result in an interest rate around 6-7 percent. As future financing mechanisms become available, we will work with Decatur First Bank and other partners to incorporate them into our program. These may include but are not limited to standardized loans, revolving loan funds, and the PACE model.



### **FUNDING REQUEST AND PROGRAM OBJECTIVES**

The City of Decatur is requesting \$536,330 of the total SEEA allocation. The "Pro Forma Dashboard", included at the end of this letter, outlines the expected outcomes. Our models, which are based on electricity and natural gas consumption reductions, estimate that our program could annually save between 580-980 million BTUs of energy production 35-65 tons of CO2 emissions.

Our installation goals are shown in the table below. We believe that these are achievable based on data provided by AGL regarding their energy efficient appliance rebate program. The City of Decatur was among the top zip codes to capitalize on this program over the past 3 years. As seen in the City of Atlanta's Letter of Commitment, of the total rebates in the metro-Atlanta area, 6.34 percent were in Decatur. Additionally, Decatur residents have shown a high level of interest in environmental issues, and as such, we believe that demand for energy efficiency retrofits can be spurred by this program.

Residential and commercial installation growth rates are expected to grow at 41 percent year-over-year through the three-year grant period with an incentive of 13.5 percent. Municipal installations will be determined based on funding approval for our application to the Georgia Environmental Facilities Authority EECBG program.

### **Installation, Incentive, and Financing Schedule- City of Decatur**

	Year 0	Year 1	Year 2	Year 3
<b>Installation Forecast</b>				
Residential Installations		50	71	100
Commercial Installations		5	9	15
Municipal Installations		TBD	TBD	TBD
Residential Incentives Paid		\$54,000	\$76,680	\$108,000
Commercial Incentives Paid		\$15,694	\$28,249	\$47,081
Total Incentives Paid		\$69,694	\$104,929	\$155,081
Remaining Incentives Available	\$329,704	\$260,010	\$155,081	\$0
Value of Residential Installs		\$400,000	\$568,000	\$800,000
Value of Commercial Installs		\$116,250	\$209,250	\$348,750
<b>Financing Terms</b>				
Loan Loss Reserve Outlay	\$65,000	-	-	-
Residential Installs Financed		\$146,000	\$207,320	\$292,000
Commercial Installs Financed		\$71,494	\$128,689	\$214,481
Total Value of Loans Issued		\$217,494	\$553,503	\$1,059,984
<b>Program Leverage</b>	<b>3-Year Total</b>			
EECBG Funds Expended	\$536,331	\$183,692	\$151,001	\$201,638
Value of All Projects Completed	\$2,442,250	\$516,250	\$777,250	\$1,148,750
Other Leveraged Funds	\$1,325,000	-	-	-
Leverage Ratio				
* Installation Leverage Only	4.5:1	3:1	5:1	6:1
Leverage Ratio				
* All Sources	7:1	-	-	-

There are approximately 6,978 residential properties, 411 commercial properties and 246 institutional/government properties within the City of Decatur. The residential properties are largely single-family detached houses; however there are about 15 mid rise developments and 20 townhouse type developments containing multiple dwelling units. The majority of the housing stock is historic and was constructed before 1950. The commercial properties are characterized by 3-4 three story or greater office buildings and a variety of 1-2 story stand alone commercial buildings. The majority of the commercial building stock is historic and was constructed before 1950. If this program meets its goals, we will provide energy efficiency upgrades to 3.2 percent and 7.1 percent of residential and commercial properties respectively in the initial 3 years.

The goals of our program include helping Decatur residents and businesses to:

- Understand their environmental impact;
- Learn about methods and products that use energy more efficiently or that use alternative sources of energy;
- Understand the supply chain impact of energy efficient technologies in terms of fuel and water consumption, total CO2 equivalent impact, criteria emissions, and transmission losses; and
- Provide streamlined access to audit capabilities, financial incentives and support to make energy efficiency upgrades possible.

One of the challenges that residents and business face is the quantity and complexity of energy efficiency information. Our program will be a "one-stop" source for information on efficiency, rebates, tax incentives, project financing, costs, and benefits. Our goal is to simplify the process to encourage residents and businesses to take action.

A potential source of residential participants is the City's annual Martin Luther King Jr. Service Project. The City of Decatur, along with several other private and non-profit partners, provides an annual home repair and upkeep program to assist seniors stay in their homes safely and in an economically affordable manner. This project, which typically provides services to between 15-25 Decatur homes per year, could be expanded to include weatherization, retrofits, or other energy efficiency efforts to reduce utility bills and increase comfort and safety of the homeowners. In 2009, Decatur's Martin Luther King Jr. Service Project attracted almost 1,000 volunteers who participated in the three day event. Many of the homes in the 2009 project received moderate insulation replacement and the replacement of several incandescent bulbs with compact fluorescent lights.

### **MARKETING ACTIVITIES**

The Decatur Preservation Alliance (DPA), a non-profit organization, will provide administrative support for Decatur's program. The role of the DPA will be to market this opportunity to Decatur residents and guide interested participants through the process. The Southeast Energy Efficiency Alliance (SEEA) will be responsible for developing marketing materials and a customer recognition program, and the DPA will customize and distribute these materials as necessary to attract participants. Other duties will include, but are not limited to, answering questions, sending applications to City of Atlanta for review, monitoring payments to contractors, administering customer satisfaction surveys, and compiling reports for City of Decatur staff.



The Decatur Preservation Alliance is committed to making this program a success, and will use grant funds effectively and efficiently. They will work in close collaboration with the City's Resource Conservation Coordinator to monitor the program and to secure new sources of funding that may become available in the future.

The City of Decatur also has several existing and successful marketing channels that will be used to advertise this program to Decatur residents. These include:

- Decatur Focus Newsletter
- City Website which receives over 10,000 hits per day
- City events/programs
- Public meetings
- Tax bill stuffers
- City blog 'The Decatur Minute'
- City Facebook and Twitter accounts

Decatur First Bank has agreed to advertise to their existing customers, and Georgia Environmental Facilities Authority will publicize the program through their website and press releases. AGL and Georgia Power, our local utility partners, will provide both financial and marketing assistance for this program. Specifically, AGL will promote the program through multiple mediums including, but not limited to personal selling, direct mail, marketing collateral, and e-mail. Our program incentives will be incorporated into their sales process by which AGL recommends energy efficiency and its own natural gas opportunities to new and existing customers. Georgia Power will promote its existing energy efficiency appliance rebates and Georgia Power will promote its Home Performance with Energy Star program as a compliment to SHINE, which provides up to \$1,900 in rebates for residential projects, through direct mail, billboards, to its existing client base.

### **WORKFORCE DEVELOPMENT**

A portion of the increased demand for work that our program creates will be met through existing certified contractors. For instance, over twenty contractors have been certified by the Building Performance Institute ("BPI") to take part in the Georgia Power Home Performance with Energy Star ("HPwES") program. However, we recognize that the existing workforce will need to be expanded to complete the planned retrofits in the City of Atlanta and the City of Decatur. In order to provide the necessary training for this program, a workforce development program will be developed under the coordination of Southface Energy Institute and City of Atlanta. The City of Decatur supports this effort and has budgeted funding to contribute to the program.

As a part of the City of Decatur's grant request, \$16,000 has been designated annually for the creation of a "green" internship program. Each year, 3 students will be hired for 6-8 week, part-time internships. They will receive training on providing home energy audits through the workforce development program, outlined in the City of Atlanta's Workforce Development Plan. Audits will then be made available to Decatur residents at low or no cost. Additionally, they will spend a portion

of their time conducting retrofits on municipal facilities. These internships will provide students with career building opportunities and hands-on green training.

### **STATE ROLE**

The Georgia Environmental Facilities Authority (GEFA) contains the state energy office and many other offices and programs related to energy efficiency, green building, and renewable energy. GEFA has made strong commitments to energy efficiency and renewable energy programs through allocation of State Energy Program, Weatherization Assistance Program, and EECGB funds. GEFA supports Atlanta and Decatur by providing state and federal funding, technical assistance for program development and implementation, and workforce development.

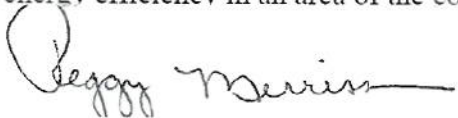
Our program will promote the Governor's Energy Challenge, in which Governor Perdue directed individuals, businesses, and local/state agencies to reduce energy consumption 15 percent below 2007 levels. Programs like this and the other programs GEFA administers provide support for our efforts at the local level.

Through this program, we will work in partnership with the City of Atlanta to seek assistance from various state agencies to address gaps and hurdles that prevent further and quicker progress on energy efficiency, including creating a statewide PACE or a special district financing option, that would allow the City of Decatur to provide a low interest financing for energy efficiency upgrades. We will also seek increased funding for renewable energy and energy efficiency incentive programs, additional support and funding for on-bill financing programs, and other initiatives to facilitate the participation of customers and the penetration of efficiency and renewable technologies.

### **ROLE OF SEEA**

It is our vision the SEEA will provide our effort with the necessary guidance to make our strategy for the deployment of this program and overall operation, one that will enable it to expand and thrive into the years to come. Specific support may include marketing strategy support, financing structural support, workforce training guidance, and assistance with PACE bill structuring and implementation as key element to success. As a unique program, with similar ideologies of existing partner programs, we hope that with SEEA's assistance, this program can serve as a model for replication in other neighboring counties and states.

We thank you for the opportunity to submit this grant proposal and look forward to a successful partnership between the City of Decatur and the City of Atlanta. Please feel free to contact me or my staff with any questions. We see this as a unique opportunity to further the goal of achieving greater energy efficiency in an area of the country where it is needed.



Peggy Merriss  
City Manager



## CITY OF DECATUR EECBG PROGRAM - PRO FORMA DASHBOARD

Assumptions		Program Key Metrics (3 Years)			
EECBG Funds Awarded	\$ 536,330	Program Leverage (All Sources)	7.02 : 1	Job Creation / Retention***	41 FTE Jobs
Target "Dealer Cash" Incentive	13.5%	Commercial Entities			
Cash & Credit Combined Offer	TRUE	Average Project Size	25,000 sq ft	Residential (Personal)	
Line of Credit	\$ 65,000	Improvement Life	15 years	Average Project Size	2,813 sq ft
Residential Rate Buy-Down Cost	\$ -	Average Project IRR @ 50% Debt	75.26%	Improvement Life	10 years
Commercial Rate Buy-Down Cost	\$ -	Project Only Effectiveness			
Avg. Residential Installation	\$ 8,000	Annual Source BTU Reduction	523,200,000 btu	Annual Source BTU Reduction	58,870,464 btu
Avg. Commercial Installation	\$ 23,250	Annual Source BTU per Federal Dollar	198,746 btu / \$	Annual Source BTU per Federal Dollar	58,144 btu / \$
Year 1 Residential Installs	50	Total Annual Emissions Savings	33.5 t CO2	Total Annual Emissions Savings	3.8 t CO2
Year 1 Commercial Installs	5	Total Project Life Emissions Savings	503.1 t CO2	Total Project Life Emissions Savings	37.7 t CO2
Admin Costs	5.70%	Cost per Lifetime kWh Avoided	\$ 0.0037 / kWh	Cost per Lifetime kWh Avoided	\$ 0.0187 / kWh
Workforce Development Funding	0.90%	Effectiveness with Governor's Energy Challenge*			
% Residential Installs Financed	50.00%	Annual Source BTU Reduction	941,325,000 btu	Annual Source BTU Reduction	45,683,120 btu
% Commercial Installs Financed	75.00%	Annual Source BTU per Federal Dollar	357,578 btu / \$	Annual Source BTU per Federal Dollar	45,119 btu / \$
Residential Install CAGR (Yrs. 1-3)	41.00%	Total Annual Emissions Savings	60.3 t CO2	Total Annual Emissions Savings	2.9 t CO2
Residential Install CAGR (Yrs. 4-10)	3.00%	Total Project Life Emissions Savings	905.1 t CO2	Total Project Life Emissions Savings	29.3 t CO2
Commercial Install CAGR (Yrs. 1-3)	70.00%	Cost per Lifetime kWh Avoided	\$ 0.0020 / kWh	Cost per Lifetime kWh Avoided	\$ 0.0242 / kWh
Commercial Install CAGR (Yrs. 4-10)	3.00%	Effectiveness with Governor's Energy Challenge**			
Leverage		Annual Source BTU Reduction	941,325,000 btu	Annual Source BTU Reduction	45,683,120 btu
AGL Resources	\$ 300,000	Annual Source BTU per Federal Dollar	357,578 btu / \$	Annual Source BTU per Federal Dollar	45,119 btu / \$
Georgia Power HPwES Promotion	\$ 300,000	Total Annual Emissions Savings	60.3 t CO2	Total Annual Emissions Savings	2.9 t CO2
Atlanta Development Authority	\$ -	Total Project Life Emissions Savings	905.1 t CO2	Total Project Life Emissions Savings	29.3 t CO2
Emerald Cities	\$ 10,000	Cost per Lifetime kWh Avoided	\$ 0.0020 / kWh	Cost per Lifetime kWh Avoided	\$ 0.0242 / kWh
GEFA EECBG****	\$ 150,000	Program Leverage			
City of Decatur	\$ 70,000	Assets			
Annie E. Casey Foundation	\$ -	Statement of Cash Flows			
BeltLine Affordable Housing Trust	\$ -	Installation Projections			
Neighborhood Stabilization Funds	\$ -				
Home Depot	\$ -				
Southface Energy Institute	\$ 545,000				
Enterprise Foundation	\$ -				

\*Governor's Energy Challenge seeks commitments to reduce energy consumption 15% by 2020.  
\*\*Residential and/or commercial improvements are expected to achieve greater than 15% total reduction.  
\*\*\*Job Creation based on 4 FTE per \$80,000 average scope.  
\*\*\*\*Awaiting pending GEFA EECBG program approval.

**R-09-XX**  
**A RESOLUTION**  
**SUPPORTING AN**  
**ENERGY EFFICIENCY CONSERVATION BLOCK GRANT APPLICATION**

WHEREAS, the City of Decatur has an ongoing commitment to creating a sustainable community; and,

WHEREAS, environmental sustainability requires a strong commitment from the city government, residents and businesses to reduce waste, improve energy efficiency, preserve greenspaces, use nonpolluting transportation alternatives where possible, and participate in other measures to help reduce pollution and keep our environment healthy for future generations; and,

WHEREAS, helping citizens to overcome the educational and financial barriers to energy efficiency improvements is a priority for the City of Decatur; and,

WHEREAS, a regional approach to an energy efficiency improvement financing program will better leverage the resources of peer cities across the Southeast Region; and,

WHEREAS, the United States Department of Energy has established a competitive grant program to distribute Energy Efficiency and Conservation Block Grant funding; and,

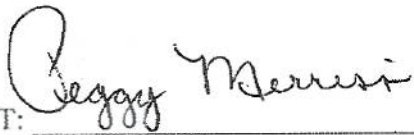
WHEREAS, this grant requires a no in-kind or cash match; and,

WHEREAS, the Southeast Energy Efficiency Alliance is responsible for preparing a comprehensive grant application seeking \$75,000,000 in funding through this program and has identified potential partners.

NOW THEREFORE, IT IS HEREBY RESOLVED, that the City Commission of the City of Decatur, Georgia, does hereby support the Southeast Energy Efficiency Alliance (SEEA) in developing an application to the U.S. Department of Energy for the competitive Energy Efficiency and Conservation Block Grant funds.

This 16<sup>th</sup> day of November, 2009.

ATTEST:

  
\_\_\_\_\_  
City Clerk  
*Acruing*

  
\_\_\_\_\_  
Mayor





December 4, 2009

Southeast Energy Efficiency Alliance  
c/o Mr. Ben Taube, Executive Director  
P.O. Box 13909  
Atlanta, GA 30324

**Re: Hampton Roads-SEEA Letter of Commitment/Support for Application to the DOE for EECBG Funds (DE-FOA-0000148)**

Dear Mr. Taube:

Hampton Roads is pleased to provide this letter of commitment to SEEA for DOE EECBG DE-FOA-0000148. We have addressed each of the elements of support you requested below.

**Major Stakeholders**

- Proposer: SEEA
- Implementing Agency: Green Jobs Alliance (GJA). The Green Jobs Alliance is a registered 501(c)3 nonprofit and will serve as the NGO Program Manager
- Key Players & Their Roles:
  - Quality Assurance Provider: SENCON will provide verification of contractor eligibility, quality management systems and practices and quality assurance oversight, including field inspections.
  - Training Providers: Community Colleges (TNCC, TCC, Paul D. Camp), Career & Technical Schools (New Horizons, Pruden Center), Labor (IBEW 1340, Hampton Roads Building Trades), Workforce Development (PCWFD, Opportunity, Inc.), and the private sector (Tidewater Building Academy, SENCON) will provide energy audit and energy retrofit training and mentoring programs.
  - State and 16 Local Governments will participate in consumer awareness campaign, provide financial incentives, and assist with policy and legislative action.
  - Contractor Partners: Peninsula Housing and Builders Association and the Tidewater Builders Association membership will offer customers a package of improvements that reduces energy use by at least 20%, perform whole-house energy efficiency improvements, participate in the consumer awareness campaign, and report project information to GJA.
  - Product Manufacturers and Retailers will assist with contractor recruiting, training, mentoring, participate in consumer awareness campaign, and provide discounts for participating contractors and consumers.
  - Utilities: Dominion Power, Virginia Natural Gas, Columbia Gas will participate in the consumer awareness campaign, provide financial incentives, and assist with contractor training.
  - Media: Cox Communications, TV Stations, Radio Stations, Print Media will participate in the consumer awareness campaign.
  - Realtors and Appraisers: Virginia Peninsula Realtors, Hampton Roads Association of Realtors will participate in the consumer awareness campaign, provide Realtor training, and implement improvements to MLS and appraisal software.



- Financial Institutions: Banks, Credit Unions, Mortgage Brokers will participate in the consumer awareness campaign, provide consumer financing, and assist with financial training.
- Business and Trade Associations: Leading state and regional groups (Virginia Peninsula Chamber of Commerce, Hampton Roads Chamber of Commerce, Virginia Peninsula Association of Realtors, Hampton Roads Association of Realtors, Hampton Roads Economic Development Alliance, Hampton Roads Partnership, Peninsula Housing and Builders Association, Tidewater Builders Association, Hampton Roads Commercial Real Estate Executives, Hampton Roads Green Building Council, Virginia Philpott Manufacturing Extension Partnership, Virginia Business Excellence Consortium, Virginia Manufacturing Association, Hampton Roads Technology Council, and Hampton Roads Military and Federal Facilities Authority will participate in consumer and business awareness campaigns.

#### Planning Time Frame

- GJA was not among the bidders to SEEA's solicitation last spring. However, GJA in cooperation with SENCON and other key stakeholders has been working to develop a Home Performance with Energy Star Program in Hampton Roads for several months. That planning is near completion and the program will be ready for implementation before DOE award of this EECBG grant. There are no energy program initiatives in Hampton Roads other than the Weatherization Programs of the Community Action Agencies.

#### End-user customer market

- Residential; single family owner-occupied, single family rental and multi-family rental
- Commercial; office and industrial

#### Marketing

- **Marketing Approach:** The effective approach to marketing the program requires a strong focus on three vital, yet distinct market segments—residential property owners and commercial property owners, who need energy efficient or energy conservation work, as well as the contractors who will actually perform the work. In recent years the region has experienced a surge in interest from property owners and renters interested in improving the energy efficiency of their homes and businesses. At the same time, we have witnessed a shift in the number of contractors willing to adjust their focus on building to a greener, more energy efficient standard. Despite this interest, there still remains some confusion and misconceptions about the cost and ease with which many of these retrofits and improvements can be implemented. With this in mind, it is not only important that the program embrace an integrated marketing approach aimed at both the consumer and the builder, but it is also vital that it implement a robust educational campaign to support these efforts. During the planning process of our integrated marketing approach we focused on the following steps; determine our objectives, develop a solid strategy to meet our objectives, and devise a tactical plan to ensure successful execution of our objectives.
- **Marketing Objectives:** Through our integrated marketing approach we expect to:
  - increase consumer and contractor awareness of energy efficiency and energy conservation products and services in the 16 localities included in this grant,
  - educate homeowners and businesses about specific benefits incorporating energy efficient features into their homes, as well as the cost benefits each feature can potentially deliver,



- educate contractors and developers on various programs and services available to them to help grow the green aspect of their business and satisfy the increasing demand for energy efficient and more eco-friendly homes and offices,
  - ensure that the combined media campaign and educational outreach efforts work to decrease consumer and builder resistance to incorporating more energy efficient features into their homes and offices,
  - ensure that these combined efforts build increased interest in energy efficiency by converting interested parties into actual consumers as measured by an increase in retrofit services performed, and
  - increase awareness among consumer, commercial and contractor audiences of the need to fill jobs to satisfy growing demand and develop a ready workforce ready to implement the services required.
- **Marketing Strategy:** As there remains confusion and misconceptions in the minds of consumers and builders alike, we must first seek to understand what is most important to them regarding energy efficient products and services. Our marketing strategy requires that we take a broad, aggressive approach through a variety of mediums and venues to effectively achieve the objectives and benefits of this program. Property owner, developer, and contractor awareness and education of energy efficiency and how to take advantage of sustainable programs is still very important to the success of this program. The following list includes a general overview of the tools we will use to put our strategy into action and achieve the objectives we set for this program:
- **Television**

Because of its branding power and reach, television will play an important role in the marketing of this program. Effectively promoting the program on television will utilize a mix of PSA announcements and paid advertising spots on local, cable and community channels. Many of the community channels will allow free spots to promote the educational aspect of the program and full utilization of these opportunities will be taken.
- **Radio**

In effectively promoting the program on radio, we will utilize a mix of PSA announcements and paid advertising spots on both talk and music channels. We will also host a twice monthly hour-long, call-in program designed to educate the public and contractors about various topics on a popular local talk radio station.
- **Print Media**

There are a diverse range of print products available in the southeastern Virginia region to reach both residential and commercial audiences. We will purchase display ads and sponsorships in the following print vehicles:

  - Daily Newspapers (*The Virginian Pilot*, *Daily Press*) -regular placement of display ads in Saturday Home section and Sunday Gracious Living sections, as well as special employment and Homearama sections, serve as a source for energy-related stories, and submit press releases for print
  - Business and Trade Associations Publications-advertise regularly in member magazine and submit articles for publication, purchase display ads
  - Direct Mail and Door-to-Door Campaigns-send out 10,000 pieces of call-to-action promotions in very targeted direct mail and door-to-door delivered campaigns
- **Electronic Media**
  - Business and Trade Associations - sponsor eNewsletters, advertise and attach special announcements



- Local Government TV Channels and eNewsletters-submit announcements and work with local governments to include educational news on the program in their eNewsletters
  - Leverage Social Media Sites-develop fan base and member followers through social media sites such as Facebook, Twitter, Linked-In, and MySpace.
  - Online Networking-provide shared links and submit targeted content for publication on local green Web sites
- **Billboards**  
Promote program on placement of 12 billboards throughout area.
- **Cooperative Campaigns**  
Increase consumer awareness by including information on program as inserts into monthly billing statements i.e. VNG, Dominion Power, and Columbia Gas.
- **Public Relations Campaigns**  
Submit press releases to all area media outlets to generate awareness and buzz about program, as well as write focused stories, op-ed pieces and cooperative content for local and regional green sites (Hampton Roads Green Drinks, Green Caffeine, etc.) and free publications. We will also swap out email blasts and other event promotional materials with groups such as TBA, PHBA, HRRRA and others.
- **Events**  
We will set up booths at key local events such as Homearama, Parade of Homes, etc., to meet with public and event attendees and promote the program, as well as hold free seminars and training events. The public will be invited to attend these free events in order to get a front-row view at what "green" can mean to them in their lives. In addition, we will work with local realtors and bankers groups to speak to their membership about the importance of this program and how their involvement can benefit them.
- **Contractor Marketing**  
Consumer awareness of the ENERGY STAR name is high as it relates to energy efficient products. Awareness of ENERGY STAR as it relates to comprehensive home energy audits and home performance contracting remains low. Therefore, it is necessary to introduce and educate contractors performing the work and homeowners to Home Performance with ENERGY STAR (HPwES). Through this program, we will leverage our partnerships with PHBA and TBA to educate builders and contractors on the importance of the HPwES program. Some of the ways we intend to achieve this include conducting seminars to the associations' membership, utilizing association membership mail lists to send out program information and educational literature, advertising in association membership newsletters and participating in association events. Knowing what energy-efficiency improvements to make in a home requires expertise and training. Through participation in this program, builders and contractors can offer their customers a package of improvements that reduces energy use by at least 20%. The builder will also have the training to offer whole-house energy efficient improvements or solutions to their customer base. Using ENERGY STAR recommended practices can increase revenue; improve customer satisfaction, and leads to fewer call backs from unhappy customers.

#### **Financing Mechanisms**

- Subsidized loan from conventional lenders
- Revolving loan
- On-bill financing from utility
- PACE program



### Workforce Development Issues

- **General statement of adequacy of present workforce, any shortcomings.** Southeastern Virginia, known as Hampton Roads, is a regional economy in need of transformation. The region represents 15 cities and counties and a population of over 1.8 million (almost a third of Virginia's total population). While the region is facing many challenges and unemployment rates are as high as 11% in some areas, we are also in the unique position to meet those challenges. In addition, many of those individuals impacted by declining industries, such as manufacturing and auto, will only require minimal training to meet the needs of the new green industries, such as retrofitting and energy auditing. The populations that will be the targeted for grant activities include those recently impacted by the economic downturn, including the 1,100 employees dislocated by the closure of International Paper in Franklin, Virginia, the 250 employees dislocated from Alcoa Howmet in Hampton, Virginia and former auto industry workers impacted by the Norfolk Ford Plant closure in Norfolk, Virginia, among others.
- **Describe process for training, ID of issues, and any lead institutions, such as community college, university, union training center.** GJA has assembled a team of experienced partners uniquely qualified to establish the organizational framework for implementing the grant and identifying the required partners and training opportunities. A **Grant Advisory Committee** will be composed of staff from the partners and coalition members. The Committee will assist in identifying the training required and primary issues facing the region's workforce. It will serve an integral role in providing feedback and direction as the initiative progresses over the next several years. The Advisory Committee will include staff members from the Workforce Investment Board, community colleges, local universities, labor union and business and industry.
- **Describe leading participants in addressing issues.** Green Jobs Alliance (GJA) is a 501(c) (3) nonprofit partnership organization established as a Virginia corporation to help implement the Green Jobs Act of 2007 by providing education and training to targeted populations identified in the Act. In 2009, and in compliance with the Green Jobs Act, the GJA was also designated as the only Virginia State Energy Training Partner by the Honorable Daniel G. LeBlanc, Senior Advisor for Workforce to Virginia Governor Tim Kaine.
  - **Workforce Development:** The **Peninsula Council for Workforce Development** has a proven track record of collaboration and successful performance with a wide range of stakeholders in carrying out the purposes of a variety of federally funded programs. The Council is involved in supporting local workforce development activities to include developing and overseeing industry cluster groups and implementing K-12 educational initiatives, and providing direct programmatic support for the Peninsula's regional One-Stop Career Center System, known as Peninsula Worklink. GJA will contract with the Federal Division of the Peninsula Council for Workforce Development (Council) to provide technical assistance in support of the overall administrative functions that will need to be performed by the Alliance as the grant recipient. The Council's has over the past 35 years successfully administered federally funded employment and training programs at the local level under the CETA, JTPA, and currently WIA.
  - **Educational Institutions:** **Thomas Nelson Community College, New Horizons Regional Education Center, Virginia Tech's Hampton Roads Center, Old Dominion University and Tidewater Community College** will provide training resources to participants.
  - **Organized Labor Apprenticeships:** **International Brotherhood of Electrical Workers (IBEW)** represents approximately 725,000 members who work in a wide variety of fields, including utilities, construction, telecommunications, broadcasting, manufacturing, railroads and

government. The Joint IBEW-NECA training programs in eastern and central Virginia have trained over 720 journeyman electricians over the past ten years.

- **Green Careers Center (GCC)**, headquartered in Hampton Roads, has over 29 years of experience ensuring that green job placement programs are focused, useful, and successful.
- **Workforce development strategy and capacity.** GJA's Mission Statement appropriately describes the overall green workforce development strategy for the region: "To coordinate the resourcing, training, and support for the development of an energy efficiency and renewable energy workforce with a goal of economic independence for individual workers." The five goals and strategies for the initiative are:
  - **Goal 1:** To provide green jobs education and training for energy efficiency and renewable energy careers. **Strategy:** Work with our education and training partners to plan, organize, staff, direct, innovate and represent all facets of this project to a successful conclusion;
  - **Goal 2:** To assist the region in attracting and developing renewable resource businesses to its localities. **Strategy:** Establish a Renewable Energy Industry Advisory Council to help identify, evaluate, and contact potential renewable energy industry companies (wind, solar, bio-fuels) about doing business in our region;
  - **Goal 3:** To educate the general public about renewable sources of energy and energy efficiency. **Strategy:** Work with Virginia Tech, Capitol Productions Television, and the Columbia School of Broadcasting to educate and train a multimedia workforce skilled in filming, editing and producing educational energy and environmental programming for the general public;

GJA will accomplish its goals and strategies through the capacity of its partners with a history of positive results in certification, degree and apprenticeship programs and will improve local communities through economic development. By providing training through already established educational partners and recruitment and job placement through the region's successful One Stop system, GJA links to some of the strongest workforce partners in Virginia. Moreover, additional partners and new curricula will add to regional capacity to sustain training and placement activity in the future.

- **State of Virginia.** The Department of Housing & Community Development (DHCD) has entered into an agreement with the New River Center for Energy Research and Training for a \$1.9 million training program for this fiscal year and is expected to continue at for each of the two following years. DHCD is currently negotiating an agreement with the Virginia Community College System for \$1.8 million per year.

#### Goals Statement and \$ Request

- By sector, how many customers served in three years
  - Residential
 

▪ Single Family Residential Owner Occupied	5,996
▪ Single Family Residential Rental	2,908
▪ Multi-Family Residential Rental	2,167
  - Commercial
 

▪ Office	33
▪ Industrial	41
- By sector, dollars invested over 3 years
  - Residential
 

▪ Single Family Residential Owner Occupied:	\$29,979,450
▪ Single Family Residential Rental:	\$14,539,725



- Multi-Family Residential Rental: \$10,835,400
- Commercial
  - Office: \$995,400
  - Industrial: \$4,111,500
- Indicate the specific utilities saved cumulative 3 years
  - Electricity
    - Residential 39,852,000 kWH
    - Commercial 4,306,167 kWH
- Dollars requested \$10,067,913

**Role of State Energy Office, Governor, any other statewide organization of importance**

- The Governor's commitment to passing special district financing bill or other financing strategies for EE;
  - Governor Kaine's Renew Virginia initiative, including SB1212 (PACE enabling legislation) and other bills granted authority for local government to offer preferential property tax rates for green roofs and renewable energy systems. Two sources of financing available to local governments for EE retrofit loans: Virginia Resources Authority and a very flexible finance program offered by a group established by VML and VACo.
- Governor's commitment to adopting stronger state building code;
  - In March 2009, DHCD commenced the 2009 USBC regulatory process with a complete and effective data for September, 2010 to adopt the 2009 IECC and the ASHRAE 90.1-2007 standard. These actions exceed the ARRA condition for a state to develop a plan to achieve 90 percent compliance with residential and commercial building energy codes within eight years.
- The State Energy Office commitment to communicate, including additional cities, and to provide some SEP funds, and dedicate WAP funds if possible
  - Performance contracting technical support to local government will be provided by technical specialists beginning in Q1 of 2010, using SEP funds.
  - DMME has encouraged community based energy efficiency programs by giving them "bonus" points when ranking competitive proposals from smaller localities for about \$9.1 million in EECBG funds that pass through DMME, and has provided informational and educational resources to support such programs.

**Where SEEA technical assistance will be useful (prioritized)**

- PACE bill structuring or implementation at local level
- Marketing strategy
- Integration with utility incentive programs
- Monitoring and evaluation
- Workforce training
- Revolving loan structure, eligibility rules
- Selecting energy performance contractors

Office of the City Manager  
Post Office Box 15225  
Chesapeake, Virginia 23328-5225  
Office: (757) 382-6166  
Fax: (757) 382-6507  
TDD: (757) 382-8214

December 4, 2009

Southeast Energy Efficiency Alliance  
c/o Mr. Ben Taube, Executive Director  
P.O. Box 13909  
Atlanta, GA 30324

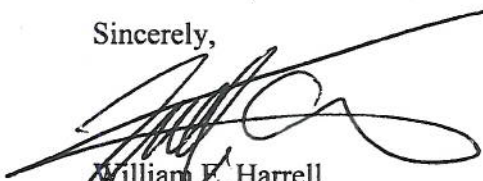
Re: Letter of Intent for Application to the DOE for EECBG Funds (DE-FOA-0000148)

Dear Mr. Taube:

On November 18, 2009 the Hampton Roads Planning District Commission passed a resolution in support of the Green Jobs Alliance pursuing the above referenced EECBG funds on behalf of the Hampton Roads region. This letter is submitted by the City of Chesapeake, as required by Section I D "Eligibility under Topic 1," authorizing the Green Jobs Alliance in its partnership with the Southeast Energy Efficiency Alliance (SEEA) to participate in a Southeast Regional application to DOE for the competitive EECBG funds. We support the regional approach and see value in the leveraging of peer cities through strategic planning and deployment of energy efficiency initiatives. We also give SEEA the authority to submit the regional application which will include Chesapeake as a partner. This regional application will seek the maximum award of \$75 million.

Please feel free to contact me with any questions. We see this as a unique opportunity to further energy efficiency initiatives and reduce the regional carbon footprint.

Sincerely,



William E. Harrell  
City Manager

WEH/wbf

c: Amar Dwarkanath, Deputy City Manager  
William Broome, General Service Director  
Tim Winslow, Facilities Manager





## City Manager

December 4, 2009

Southeast Energy Efficiency Alliance  
c/o Mr. Ben Taube, Executive Director  
P.O. Box 13909  
Atlanta, GA 30324

Re: Letter of Intent for Application to the DOE for EECBG Funds (DE-FOA-0000148)

Dear Mr. Taube:

On November 18, 2009 the Hampton Roads Planning District Commission passed a resolution in support of the Green Jobs Alliance pursuing the above referenced EECBG funds on behalf of the Hampton Roads region. This letter is submitted by the City of Hampton, as required by Section I D "Eligibility under Topic 1", authorizing the Green Jobs Alliance in its partnership with the Southeast Energy Efficiency Alliance (SEEA) to participate in a Southeast Regional application to DOE for the competitive EECBG funds. We support the regional approach and see value in the leveraging of peer cities through strategic planning and deployment of energy efficiency. We also give SEEA the authority to submit the regional application which will include my city as a partner. This regional application will seek the maximum award of \$75 million.

Please feel free to contact me with any questions. We see this as a unique opportunity to progress energy efficiency in an area of the country where it is needed.

Sincerely,

James B. Oliver, Jr.  
City Manager

CITY OF HAMPTON (757) 727-6392 FAX (757) 728-3037  
22 LINCOLN STREET, HAMPTON, VIRGINIA 23669

*"Oldest Continuous English-Speaking Settlement in America - 1610"*



December 4, 2009

Green Jobs Alliance  
c/o Mr. Randall Gilliland, Chairman  
2 Eaton Street, Suite 711  
Hampton, Virginia 23669

RE: Letter of Intent for Application to the DOE for EECBG Funds (DE-FOA-0000148)

Dear Mr. Gilliland:

We are pleased that the Green Jobs Alliance is coordinating a regional effort in Hampton Roads to partner with the Southeast Energy Efficiency Alliance to submit a competitive grant application to the Department of Energy for EECBG funds. We support the regional approach and see value in the leveraging of peer cities through strategic planning and deployment of energy efficiency.

Please accept this letter as evidence of the Industrial Development Authority of the City of Hampton, Virginia's support of this regional application and that should the grant application be successful to include our properties and buildings in this program.

We look forward to assisting the Green Jobs Alliance with this creative approach toward energy efficiency and conservation in the commercial and industrial sectors.

Sincerely,



John C. Ishon  
Chair





# City of Newport News

Virginia 23607

Office Of The City Manager

December 3, 2009

2400 Washington Avenue

(757) 926-8411

Fax (757) 926-3503

Southeast Energy Efficiency Alliance  
c/o Mr. Ben Taube, Executive Director  
P. O. Box 13909  
Atlanta, GA 30324

Re: Letter of Intent for Application to the DOE for EECBG Funds  
(DE-FOA-000148)

Dear Mr. Taube:

On November 18, 2009 the Hampton Roads Planning District Commission passed a resolution in support of the Green Jobs Alliance pursuing the above-referenced EECBG funds on behalf of the Hampton Roads region. This letter is submitted by the City of Newport News, as required by Section I D "Eligibility under Topic 1," authorizing the Green Jobs Alliance in its partnership with the Southeast Energy Efficiency Alliance (SEEA) to participate in a Southeast Regional application to DOE for the competitive EECBG funds. We support the regional approach and see value in the leveraging of peer cities through strategic planning and deployment of energy efficiency. We also give SEEA the authority to submit the regional application which will include my City as a partner. This regional application will seek the maximum award of \$75 million.

Please feel free to contact me with any questions. We see this as a unique opportunity to progress energy efficiency in an area of the country where it is needed.

Sincerely,

Neil A. Morgan  
Acting City Manager

NAM:rsw

**County Administration**  
101-C Mounts Bay Road  
P.O. Box 8784  
Williamsburg, VA 23187-8784  
P: 757-253-6728  
F: 757-253-6833  
cadm@james-city.va.us



jccEgov.com

December 4, 2009

Southeast Energy Efficiency Alliance  
c/o Mr. Ben Taube, Executive Director  
P.O. Box 13909  
Atlanta, GA 30324

**Re: Letter of Intent for Application to the DOE for EECBG Funds (DE-FOA-0000148)**

Dear Mr. Taube:

On November 18, 2009, the Hampton Roads Planning District Commission passed a resolution in support of the Green Jobs Alliance pursuing the above-referenced EECBG funds on behalf of the Hampton Roads region. This letter is submitted by James City County, as required by Section I D "Eligibility under Topic 1", authorizing the Green Jobs Alliance in its partnership with the Southeast Energy Efficiency Alliance (SEEA) to participate in a Southeast Regional application to DOE for the competitive EECBG funds. We support the regional approach and see value in the leveraging of peer cities and counties through strategic planning and deployment of energy efficiency. We also give SEEA the authority to submit the regional application which will include my county as a partner. This regional application will seek the maximum award of \$75 million.

Please feel free to contact me with any questions. We see this as a unique opportunity to progress energy efficiency in an area of the country where it is needed.

Sincerely,

Sanford B. Wanner  
County Administrator

SBW/tlc  
taube\_ltr

Enclosures





## *CITY of NORFOLK*

*Office of the Mayor*

Paul D. Fraim  
Mayor

November 24, 2009

Green Jobs Alliance  
c/o Mr. Randall Gilliland, Chairman  
2 Eaton Street, Suite 711  
Hampton, VA 23669

Re: Letter of Intent for Application to the DOE for EECBG Funds (DE-FOA-0000148)

Dear Mr. Gilliland:

On November 18, 2009 the Hampton Roads Planning District Commission passed a resolution in support of the Green Jobs Alliance pursuing the above referenced EECBG funds on behalf of the Hampton Roads region.

This letter is submitted by the City of Norfolk, as required by Section I D "Eligibility under Topic 1", authorizing the Green Jobs Alliance (GJA) to pursue an application to DOE for the competitive EECBG funds. We support the regional approach and see value in the leveraging of peer cities through strategic planning and deployment of energy efficiency. We also give GJA the authority to submit the regional application which will include the City of Norfolk as a partner. This regional application will seek the maximum award of \$75 million.

Please feel free to contact me with any questions. We see this as a unique opportunity to progress energy efficiency in an area of the country where it is needed.

With best wishes, I am

Sincerely,

A handwritten signature in black ink, appearing to read "Paul D. Fraim".

Paul D. Fraim  
Mayor

cc: Regina V.K. Williams, City Manager  
Denise Thompson, Environmental Protection Programs Manager

# SOUTHAMPTON COUNTY



26022 Administration Ctr. Dr.  
P.O. Box 400  
Courtland, Virginia 23837

757-653-3015  
Fax: 757-653-0227

December 4, 2009

Southeast Energy Efficiency Alliance  
c/o Mr. Ben Taube, Executive Director  
P.O. Box 13909  
Atlanta, GA 30324

Re: Letter of Intent for Application to the DOE for EECBG Funds (DE-FOA-0000148)

Dear Mr. Taube:

On November 18, 2009 the Hampton Roads Planning District Commission passed a resolution in support of the Green Jobs Alliance pursuing the above referenced EECBG funds on behalf of the Hampton Roads region. This letter is submitted by Southampton County, as required by Section I D "Eligibility under Topic 1", authorizing the Green Jobs Alliance in its partnership with the Southeast Energy Efficiency Alliance (SEEA) to participate in a Southeast Regional application to DOE for the competitive EECBG funds. We support the regional approach and see value in the leveraging of peer counties and cities through strategic planning and deployment of energy efficiency. We also give SEEA the authority to submit the regional application which will include my county as a partner. This regional application will seek the maximum award of \$75 million.

Please feel free to contact me with any questions. We see this as a unique opportunity to progress energy efficiency in an area of the country where it is needed.

Sincerely,

Michael W. Johnson  
County Administrator





## City of Virginia Beach

OFFICE OF THE CITY MANAGER  
(757) 385-4242  
FAX (757) 427-5626

VBgov.com  
MUNICIPAL CENTER  
BUILDING 1, ROOM 234  
2401 COURTHOUSE DRIVE  
VIRGINIA BEACH, VA 23456-9001

December 1, 2009

Southeast Energy Efficiency Alliance  
c/o Mr. Ben Taube, Executive Director  
P.O. Box 13909  
Atlanta, GA 30324

**Subject: Letter of Intent for Application to the DOE for EECBG Funds (DE-FOA-0000148)**

Dear Mr. Taube:

On November 18, 2009 the Hampton Roads Planning District Commission passed a resolution in support of the Green Jobs Alliance pursuing the above referenced EECBG funds on behalf of the Hampton Roads region. This letter is submitted by the City of Virginia Beach, as required by Section I D "Eligibility under Topic 1", authorizing the Green Jobs Alliance in its partnership with the Southeast Energy Efficiency Alliance (SEEA) to participate in a Southeast Regional application to DOE for the competitive EECBG funds. We support the regional approach and see value in the leveraging of peer cities through strategic planning and deployment of energy efficiency. We also give SEEA the authority to submit the regional application which will include my city as a partner. This regional application will seek the maximum award of \$75 million.

Please feel free to contact me with any questions. We see this as a unique opportunity to progress energy efficiency in an area of the country where it is needed.

With Pride in Our City,

James K. Spore  
City Manager

JKS/RRM/amg

Cc: Steve Herbert, Deputy City Manager  
Bob Matthias, Assistant to the City Manager



# COUNTY of ISLE OF WIGHT

THE COURTHOUSE

December 4, 2009

Mr. Ben Taube, Executive Director  
Southeast Energy Efficiency Alliance  
Post Office Box 13909  
Atlanta, Georgia 30324

RE: Letter of Intent for Application to the  
DOE for EECBG Funds (DE-FOA-0000148)

Dear Mr. Taube:

On November 18, 2009, the Hampton Roads Planning District Commission passed a resolution in support of the Green Jobs Alliance pursuing the above referenced EECBG funds on behalf of the Hampton Roads Region. This letter is submitted by the County of Isle of Wight, as required by Section I D "Eligibility under Topic 1", authorizing the Green Jobs Alliance in its partnership with the Southeast Energy Efficiency Alliance (SEEA) to participate in the Southeast Regional application to DOE for the competitive EECBG funds.

Isle of Wight supports the regional approach and recognizes the value in the leveraging of peer cities/counties through strategic planning and deployment of energy efficiency. Isle of Wight also gives SEEA the authority to submit the regional application which will include my county as a partner. This regional application will seek the maximum award of \$75 million.

Should you have any questions, please feel free to contact me. Isle of Wight sees this as a unique opportunity to progress energy efficiency in an area of the country where it is needed.

Sincerely,

W. Douglas Casley  
County Administrator

cc: The Honorable Board of Supervisors  
A. Paul Burton, County Attorney



November 11, 2009

Southeast Energy Efficiency Alliance  
c/o Mr. Ben Taube, Executive Director  
P.O. Box 13909  
Atlanta, GA 30324

Re: Letter of Intent for Application to the DOE for EECBG Funds (DE-FOA-0000148)

Dear Mr. Taube:

It is our pleasure to submit this letter of intent to the Southeast Energy Efficiency Alliance (SEEA) in support of Huntsville, Alabama participation in a Southeast Regional application to DOE for the competitive EECBG funds. We support the regional approach and see value in the leveraging of peer cities through strategic planning and deployment of energy efficiency. We also give SEEA the authority to submit the regional application which will include my city as a partner. This regional application will seek the maximum award of \$75 million.

Please feel free to contact me with any questions. We see this as a unique opportunity to progress energy efficiency in an area of the country where it is needed.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ruchi Singhal". The signature is fluid and cursive, with the first name "Ruchi" and last name "Singhal" clearly distinguishable.

Ruchi Singhal  
Energy Team Lead  
Huntsville Mayor's Sustainability Council "Green 13"

21 West Church Street  
Jacksonville, Florida 32202-3139

April 21, 2009



Mr. Ben Taube  
Southeast Energy Efficiency Alliance  
P.O. Box 13909  
Atlanta, GA 30324

Dear Mr. Taube:

I am writing on behalf of the JEA Board to express our support for the formation of a Community Energy Alliance [CEA] to help Jacksonville and its citizens become more efficient with their energy use, improve the environment and grow local jobs. We believe that a CEA is needed in order to deliver appropriate energy efficiency and renewable technology to the Jacksonville community. Through this arrangement the CEA will help thousands of Jacksonville area residents identify and arrange for financing for cost effective energy efficiency and renewable measures.

We understand that we need to accomplish five major functions and are seeking community partners' support where it may be appropriate. The five functions are:

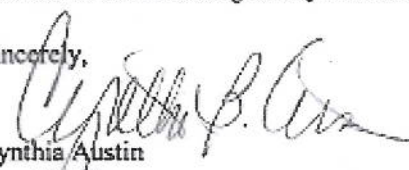
1. Target Marketing through a variety of stakeholders and channels
2. Home and business energy opportunity analysis [detailed energy audits]
3. Financing of targeted measures
4. Installation by qualified installers and contractors
5. Measurement and Verification of results

Each element of infrastructure above will be carefully tailored to the Jacksonville community. The CEA will complement and integrate numerous independent efforts creating synergy among the stakeholders to deliver dramatic results. The CEA target areas of focus will include residential and commercial building sectors as well as fleets that may consider plug-in hybrid use.

JEA will act as the lead organization initially collaborating with the City of Jacksonville. Ultimately a separate non-profit will be set up to run the operations. It is our intent that the CEA will be run like a business. Staff will be seeking Federal stimulus funding to initially support this new organization.

As the governing board of JEA, by this letter we are expressing our support for this grant application and endorse that staff resources be expended on same. Our JEA team looks forward to collaborating with you to help make Jacksonville more energy efficient.

Sincerely,

  
Cynthia Austin  
Board Chair



## **Overview of JEA/City of Jacksonville (COJ) Retrofit Ramp-up Proposal for: Energy Efficiency & Conservation Block Grant [EECBG] Competitive Grant**

### **DOE Grant Description**

This grant is for large-scale programs of ongoing energy efficiency retrofits on residential, commercial and public buildings and is geographically focused. Retrofits will reduce total monthly operating costs of the buildings. DOE anticipates making 8-20 awards; award sizes ranging from \$5 to \$75 million. DOE is looking for a 5:1 leverage of the funds and a revenue and sustainability model to carry the program beyond the grant period. Jacksonville is seeking approximately \$8.2 million for this proposal. Our proposed program exceeds these metrics.

### **Jacksonville approach targeting**

The target area is within a 10-15 mile radius of the core city, which includes a denser residential and commercial region within the city. The buildings located in this region tend to be older and less energy efficient structures. Geographical focused marketing will be on homes/buildings built in pre-1980 [pre-Florida Energy Code] areas.

### **Description of outreach/advertising to building owners**

JEA will pursue broad market participation. The following are examples of marketing efforts:

- JEA billing inserts, JEA e-mail groups, Geo-targeted direct mail
- Northeast Florida Community Energy Alliance [NEFCEA] and its associated stakeholder member groups will assist in marketing
- Promotion to 50,000 JEA customers who have opted-in to energy use feedback program
- Qualified vendor affinity marketing

### **Description of how retrofits will be delivered (audits and contract work)**

- Market via JEA, COJ and NEFCEA programs and mechanisms
- Promote subsidized investment grade audit using subsidy paid by grant
- Implementation options include - cash payment, contractor installation, as well as:
  - Do-It-Yourself - Consumer/Business
  - Conventional financing via participating local financial institutions [with interest buy down]
  - Energy Services Company [ESCO] financing & installation
- Participating contractors to meet JEA standards

### **Description of how savings will be monitored and verified**

JEA through its Demand Side Management (DSM) program will provide Measurement & Verification services in accordance with accepted industry protocol.

### **Description of how program will work**

- Residential - JEA has [and is expanding] incentives for existing homeowners & businesses through its DSM program. A series of new services for residential and commercial customers will be launched in mid-2010.
- Detailed energy audits will be subsidized by JEA and the EECBG (Competitive) to reduce resistance by customers to pay for energy audits. JEA is considering a rebate for energy audit costs based on level of implementation to further encourage their use.
- Public Buildings
  - COJ will self fund energy efficiency measures through EECBG (formula) funds and general budget
  - JEA and Duval County School Board [DCSB] may be interested in using the ESCO model
- Small Commercial - Conventional financing (e.g... Community First CU, banks) and ESCOs
- Third Party Financing [interest subsidy paid by grant]

- Interest rate buy down with participating 3rd party financial institutions will be used to generate a high level of interest in the program. Financial institutions will be chosen via an RFP process. [One local credit union, Community First Credit Union of Florida, has already agree to allocate \$10,000,000 toward efficiency lending.]
  - The interest rate buy-down will be a significant attraction of the program. The program will begin with an interest rate buy down which results in a 0 % loan for qualified borrowers. Interest rate subsidies will decline roughly every 18 to 24 months on a schedule that allows the market to adjust over time. It is expected that subsidies will begin at approximately 8%. The post grant subsidies will remain in place to insure that lending for efficiency upgrades continue to be differentiated in the lending market. The final subsidy is expected to be 2.5% in year six of the program.
  - Property Assessed Clean Financing [PACE] for efficiency improvements paid via property tax bills is proposed as a 2<sup>nd</sup> phase of the efficiency financing. Detailed planning will occur during the first 18 months of the grant. This will allow time to glean experience from other PACE programs. Our PACE program will explore targeting of both residential and commercial rented properties. We will include a Measure & Verification component to determine efficacy and make improvements.
- Revolving Loan Funding options
    - Have the COJ's Housing and Neighborhood Department [HAND] provide loans to Community Development Corporation (CDC)/Community Housing Development Organizations for residential energy efficiency loans up to \$20K to provide funds toward HVAC, insulation, window retrofits, and/or retrofit an entire home with Energy Star/energy efficiency appliances. The CDC's will rehabilitate a home for low to moderate income brackets, and fund energy efficiency improvements with revolving loan funds from the HAND. Repayment will be made at the sale of the home. (Est. 10 homes a year at \$20K = \$200,000). Alternately, COJ could set up a mechanism for home owners to repay the city.
    - Have the Jacksonville Economic Development Commission administer a revolving loan fund for small businesses to receive investment grade energy audits, and implement selected energy efficient recommendations of the audits which could be financed through a low interest loan.

#### Description of Implementation plan

Based on JEA's DSM plans and work from the development of the NEFCEA, JEA will lead the initial efforts by developing a three year plan using grant funds; the fourth year will become a self-sustaining model. JEA with support from grant is seeking to transform the local marketplace in a fashion that insures that a strong base of EE providers are established along with a much enhanced customer awareness of the value of efficiency along with strong financial services support. Ongoing NEFCEA will to continue to grow and support JEA and COJ programs creating community synergy. Technical support in the form of training, quality assurance and control will be provided by the Florida Solar Energy Center. Estimates below forecast a revenue stream for financial sustainability.

Financial sustainability charge recovered through loan repayment stream	Basis	Units Delivered	Fees [adder to repayments]	\$ raised based on loan amount
Loans - fee collected in repayment stream	\$ 24,750,000	Variable	0.50%	\$ 123,750
Financial sustainability charge recovered through audit charge - 5% fee	\$ 400	4,500	5%	\$ 90,000
ESCO - Financial sustainability charge recovered through repayment stream	\$ 250,000	3	5%	\$ 37,500
<b>Potential revenue for future buy down, etc</b>				<b>\$ 251,250</b>
<b>Principle buy down potential</b>	3%			<b>\$ 8,375,000</b>



MAYOR'S OFFICE OF RECOVERY MANAGEMENT  
**CITY OF NEW ORLEANS**

C. RAY NAGIN  
MAYOR

KENYA SMITH  
EXECUTIVE DIRECTOR

December 8, 2009

Contract reviewer for Energy Efficiency  
and Conservation Block Grant Program  
U.S. Department of Energy  
1000 Independence Ave., SW  
Washington D.C 20585

Subject: Letter of Commitment for Competitive dollars from the Energy Efficiency and  
Conservation Block Grant Program

To Whom it May Concern,

It is the City of New Orleans' pleasure to submit this letter of commitment to the Southeastern Energy Efficiency Alliance's (SEEA) regional application for funding from the Department of Energy's Energy Efficiency and Conservation Block Grant (EECBG) program. We see value in the leveraging of the efforts of regional partners to achieve larger impact in the deployment of energy efficiency initiatives. As a recipient of funding from the direct allocation portion of the EECBG program, the City of New Orleans recognizes the value of this initiative and its ability to help the City implement game changing energy efficiency initiatives for our City. This application will be for the maximum award of \$75 million and will be split evenly by all participating cities. As a participating City, the City will request a percentage allotment, roughly in the amount of \$5 million dollars, to support initiatives that we require further funding to expand. The City of New Orleans looks forward to working with this collaborative for a successful regional initiative.

The City of New Orleans has several initiatives that will contribute to a successful application from SEEA for further funding. The City will use funding from this grant to support current initiatives that are being implemented through our existing EECBG funds. The City will fund three initiatives using funding from the SEEA grant- an energy saving performance contracting program, a revolving loan fund, and a property assessed clean energy program. It is imperative that these three programs support existing initiatives and work in tandem with existing City lead initiatives to maximize the impact of all invested dollars for energy efficiency. The energy saving performance contracting program will support the City's effort to reduce blight and hasten the process of recovery. It will build on successful energy auditing programs that are currently being administered through the State as well as the City. The revolving loan fund will work in tandem with the City's Energy Smart initiative, which creates subsidies for energy efficient

1340 PERDIDO STREET 10TH FLOOR NEW ORLEANS, LOUISIANA 70112  
PHONE 504-658-8400 FAX 504-658-8435



## CITY OF NEW ORLEANS

C. RAY NAGIN  
MAYORKENYA SMITH  
EXECUTIVE DIRECTOR

enhancements to residential and commercial properties. The City has set aside the maximum amount allowed from its EECBG direct allocation, \$580,000 dollars, for the establishment of a revolving loan fund. The City will seek to expand on this investment through funding from this competitive grant. Lastly, the City will conduct research and development for energy efficiency and renewable energy financing districts. Legislation has recently been passed to adopt the Property Assessed Clean Energy Program in the State of Louisiana. The City will seek to support the establishment of this program locally through research and development.

The City's revolving loan fund is currently funded using \$580,000 in capital from its direct allocation of EECBG dollars. The City request that \$2,950,000 of its allotted share of funding from the SEEA grant proposal go towards furthering the revolving loan fund. This fund is currently set to run in collaboration with the City's Energy Smart initiative. Energy Smart is a three year program sponsored by the local utility, Entergy New Orleans. The programs are intended to transform the market by creating a demand for energy efficiency products and services and stimulate the development of the workforce to meet this demand. This initiative is expected to incrementally grow over the course of the next few years. This fund is expected to be maintained for years to come through successful energy efficiency initiatives lead by both the City and the private sector. Below is a description of the projects receiving funding from this initiative:

1. **Residential Solutions-** This program will help home owners to receive energy audits prior to having upgrades performed on their property \$390,000/year
2. **Energy Efficient New Homes-** This program offers cash incentives to home owners and residential contractors that meet program criteria for an energy efficient new home \$280,000/year
3. **Residential AC Tuning up-** This program recruits contractors to perform upgrades on residential air conditioners \$240,000/year
4. **Energy Star AC-** This program trains participating contractors to install energy star rated air conditioners \$240,000/year
5. **Residential Low Income Program-** This program will use the federal guidelines of the Weatherization Assistance program. It will create subsidies for homes to bring a home to WAP standards. \$300,000/year
6. **Residential CFL-** This will increase the installation of Energy Star qualified CFL's. \$230,000/year
7. **Small Commercial Installations-** This provides incentives to commercial customers with less than 100 kw of usage. \$680,000/year
8. **Large Commercial-** this provides incentives to commercial, industrial, and government customers with a peak demand of 100kw or greater. \$1,030,000/year
9. **Solar Hot Water Pilot-** provides incentives for solar water heater installations. \$150,000/year





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- 10. In Home Monitors-** This will provide monitors for home-owners to view their energy costs in real time. \$280,000/year
- 11. Residential/Commercial Solar PV-** This will provide subsidies for the exploration of the solar industry. \$100,000/year
- 12. One Stop Energy Shop-** This will be an education and awareness program to provide information to Energy Star program participants.

The City's revolving loan fund will be administered in collaboration with this initiative. The City is requesting funding from this grant to for the purposes of buying down the interest rates associated with this revolving loan fund, establishing a loan loss reserve for this revolving fund, and generating more funds for the purpose of lending from this fund. The City will manage this program in collaboration with its local utility, Entergy New Orleans.

The City also requests funding from its allotment go towards the establishment of an Energy Saving Performance Contracting program. The energy saving performance contract is a financing vehicle that will allow the City to weatherize its' buildings without the use of upfront capital. Research conducted by the City's energy unit shows that this initiative will have a long term pay back that will more than triple the initial investment. The City request that of it's allotted share of funding via this grant, \$2,000,000 go towards the establishment of Energy Saving Performance Contracts. Energy savings from the Energy Saving Performance Contracting Program will also be used to enhance funding in the City's Revolving Loan Fund. The City will monitor loan terms and interests rates associated with its energy saving performance contracts closely to ensure that the Energy Saving Performance Contract loans are paid in a reasonable time frame and that savings are actually garnered via these contracts. Energy Savings Performance Contracts have proven to be successful models regionally for organizations such as the Iberville Parish School Board. The City looks to repeat this success on City owned buildings and facilities. With small amounts of financing, energy saving performance contracts can yield large returns.

Lastly, funding will be used for research and development that will need to be conducted to establish the Property Assessed Clean Energy Program. On July 6, 2009, Governor Jindal signed Act 348, which allows Louisiana municipalities to create sustainable energy financing districts, through which property owners can finance energy efficiency upgrades by taking out a loan from a financing district and paying it back over 20 years through their annual property tax bill. Louisiana Act 348 will pave the way for rapid expansion of energy efficiency projects in New Orleans and throughout the mid-south region by creating and educating stakeholders about financing models that leverage new Louisiana energy efficiency financing laws, and proving their viability by



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identifying investors and developers to install energy efficiency upgrades in New Orleans. This legislation nationally is also currently being referred to as the "Property Assessed Clean Energy" (PACE) Initiative. The City is requesting \$50,000 of its allotted share to conduct market analysis for how this program can be administered locally. A market analysis will be conducted to determine how this initiative will impact the energy efficiency market. Reservations have arisen concerning the City's capacity to implement this program, however there is a state wide initiative forming that would assist the City with this program. Local market realities such as the City's Homestead exemption laws and the current deficit will need to be analyzed to better understand the potential impact on this initiative. In order to address the City's concerns, a third party entity will evaluate these issues. Once the market's demand is determined, the City will work in coordination with the State to see to it that this program is a success.

If these three initiatives are funded, the City of New Orleans will achieve a 20 to 30% market impact with all of its energy efficiency initiatives. The City is poised to achieve a large impact with its current initiatives, but issues such as upfront costs and consumer confidence continue to hinder our development. By gaining funding from this grant, the City will be able to broaden the reach of its' current energy efficiency efforts and develop a market that can cater to both high and low income rate payers. We submit this letter and respectfully request further funding from the EECBG program of the Department of Energy.

Sincere Regards,

Clarence Ray Nagin

Mayor

City of New Orleans





# GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES

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## VIRGIN ISLANDS ENERGY OFFICE

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Office of the Director

December 8, 2009

Ben Taube  
Executive Director  
Southeast Energy Efficiency Alliance  
P.O. Box 13909  
Atlanta, GA 30324

Dear Mr. Taube:

The Virgin Islands Energy Office, a Division under the Office of the Governor, supports the innovative proposal submitted by the Southeast Energy Efficiency Alliance in response to the DOE Competitive Energy Efficiency Community Block Grant Retrofit Ramp-Up Solicitation, Part 1, and seeks to join as a participating community. Specifically, we seek \$2 million to move more expeditiously, effectively, and expansively to implement our Energy Alliance program in the small and large commercial sectors, small and large residential sectors, and among government and institutional buildings. We would utilize our share of the award if successful, to accelerate our small business efficiency service program, our energy performance contracting program for government effort, and our work to bring more immediate relief to our 1-4 family residential sector. As an island community almost totally dependent upon Venezuelan oil that equates to approximately 31 cents/Kwh for our electricity, we are in an urgent need to install energy efficiency equipment and renewable technologies in our buildings.

We have already planned to implement an energy alliance modeled closely after Cambridge, MA and Charlottesville, VA the Southeast Energy Efficiency Alliance's first energy alliance; we have committed \$8 M of our existing SEP formula funds to that alliance; and in November, we hired a consulting team to put together the program and assist early implementation of it across St. Croix, St. Thomas, and St. John. Additionally, we have already had preliminary meetings with the Water and Power Authority (WAPA) to join us in transforming our community to be energy and water efficient, create local jobs, and implement renewable technologies. However, we are in need of additional assistance to move more quickly, especially in getting started with serving our small business community with air conditioning, lighting, refrigeration and solar water heating improvements; and our government buildings, with these measures and more.

We described below specifically how we plan to utilize the Retrofit Ramp-up dollars as leveraging supplements to the ARRA funding and customer cost-share we already anticipate to launch our Energy Alliance Program. With your funding, we can serve 3,482 customers, saving 5.4M kwh, and create 73 jobs in the next three years.

## **The Virgin Islands Energy Alliance Program Plan**

Here is what we can accomplish with \$2 M in Retrofit Ramp-Up funds and \$8 M of existing ARRA funds devoted to the Virgin Islands Energy Alliance. Within three years, the VIEA will perform the following functions on a self-supporting basis:

- Identification, quantification, and characterization of all market sectors (single and multi-family residential, institutional, government, commercial and industrial) and their energy and water usage and opportunities for efficiencies
- Definition of comprehensive technologies applicable to the range of facilities in each market sector, including energy and water efficiencies, renewable sources, cogeneration and district CHP, and demand-profile shaping to availability/cost of energy
- Identification of all available subsidies, grants, contracts, and other funding sources applicable to these opportunities, and continuous advocacy and qualification for their receipt
- A marketing "Campaign," in cooperation with WAPA and existing programs, that will reach at least 33% participation in all market sectors with energy and water savings over five to seven years
- Energy and water audits and feasibility studies to identify comprehensive facility improvements that reduce utility expense and pay for themselves out of savings
- Design of the improvements with customer approval
- Procurement and installation of new equipment and retrofit of existing systems to implement the improvements
- Testing and commissioning
- Measurement, verification, and documentation of savings
- Operation and maintenance where required, including extended warranties, re-commissioning, and service contracts
- Management of revenue sources for long-term support of all VIEA functions, including participation in energy and demand markets and trading of energy-attribute commodities
- Publicity, public education, and publication of VIEA designs, participation, and results
- Financing and assurance that savings will exceed debt service, such that the improvements are free of cost to the customer
- Quality control using an Independent Engineer
- Collaboration with WAPA and appropriate regulatory and executive authorities, including cooperative arrangements of least-cost procurement programs

VIEA will contract out functions such as detailed design, installation, metering, etc. to experienced general and MEP contractors who employ USVI residents.

### **Program Design**



In order to meet the Governor's goal of developing a comprehensive Energy Demand Reduction Program for the entire USVI Territory, this proposal envisions a three-stage process. The first two of these stages will be completed by next April, and is reflected in the costing budget which accompanies this proposal. Below the three phases are briefly described.

#### Stage 1 Program Planning:

We have already contracted with Bostonia and Clean Energy Solutions to work with GVI, WAPA, and other community organizations to design an energy & water efficiency program that can be funded without USVI taxpayer support. We will adapt the program design innovated in Cambridge, MA and Charlottesville, VA to the USVI's demographics, its utility usage and cost circumstances, its existing energy and contractor infrastructure, its government structure, its unique culture and its prevailing and proposed WAPA and government energy efficiency and renewable technologies incentives. Key stakeholders are now being engaged to seek their feedback and advice. This stage will culminate in a program design by next April, complete with financing mechanisms, a host operating agency, energy milestones, revenue and cost projections, and commitments from WAPA and others to accommodate the program design.

#### Stage 2 Program Platform Creation:

During this stage Bostonia and CESI will put in place a program platform that can succeed in organizing the elements necessary for the local energy campaign. These elements include:

- Setting manageable, realistic, but aggressive goals to reduce electricity and water, peak capacity, and the carbon footprint, to create jobs and inspire local economic development;
- Creating or identifying a nonprofit or government entity respected in the community and capable of managing the effort;
- Designing a marketing strategy to attract substantial customer participation in all sectors (residential, commercial, industrial, governmental, and institutional);
- Establishing a services delivery infrastructure (including competitive selection of energy services companies and/or other contractors) that can provide one-stop services;
- Developing a quality control and program evaluation and documentation capability including competitive selection of an Independent Engineer;
- setting up a financing program featuring competitive selection of banks or other financial organizations to serve the various sizes and credits represented in each end use sector; and,
- Establishing a workforce development strategy.

Finally during this stage we will raise mezzanine financing (equity or debt) to support the formal launch and sustenance of the program. The funds raised through the mezzanine financing will be used to provide working capital to the VIEA.

#### Stage 3. Program Implementation and Management:

The provision of management services to implement the program.

#### **Support and Assistance to All Customer Rate Classes**

Program support and assistance and the resulting Program benefits will be provided to all electricity customers of the Virgin Islands Water and Power Authority.

The Program Design and Delivery will segment these customers into a number of major sectors, including larger commercial and industrial, small commercial, residential, and government and institutional, to reflect the different market opportunities and constraints of each sector. Some of these sectors may be further sub-divided to reflect energy end uses and technology upgrades that are applicable in particular “businesses” (e.g. resorts and hospitality, where there is considerable water heating, air conditioning, and refrigeration). In general, energy use is decentralized, with many smaller customers and consumers, rather than a core of energy intensive companies or institutions.

The VIEA will stress education and information shared across all sectors to ensure that demand reducing behavior changes are encouraged and that best practices, implemented initially by early adopters, are highlighted for other customers that can benefit from them.

We will identify appropriate market channels that can be used to reach out to and engage customers, including church affiliations, trade associations, chambers of commerce, etc. Likewise, school children will be involved in the program to encourage their families' participation.

We will have the following general elements of programs for each of these sectors.

#### Larger Commercial and Industrial, including government and institutional:

This sector includes the resort and hospitality sector, gambling and recreation, public buildings, schools, healthcare, and manufacturing. It will also include the largest retail establishments and commercial office space.

Performance contracting will be a major mechanism for realizing savings in this sector, with energy services companies (ESCOs) contracting with large energy users to replace older inefficient equipment with modern systems and using savings to pay for capital investments. The relatively small size of many end users, even in this larger building sector, would recommend that individual properties would be aggregated and packaged together to make them more attractive to ESCOs. We will use ARRA and RRU funds to write down the interest rates to zero percent for participating buildings, and/or offer cash equivalent subsidies. For a territory with no experience in its public buildings with performance contracting, these incentives will accelerate the process and increase the project sizes that can be supported.

ESCOs would be asked to make every effort to employ local firms to provide engineering support, products, and construction, and operations and maintenance services for projects, to create additional economic benefits for the Territory. End uses to be addressed will include process energy for manufacturing (including water heating and chilled water), motor applications, lighting, and air conditioning as applicable. Approaches will include, but not be limited to, heat recovery, equipment replacement and system reengineering, lighting retrofits and redesign.

#### Smaller Commercial Facilities:

The majority of Territory businesses are smaller retail and service businesses, which of which have significant opportunities for equipment upgrades and replacement, focusing on lighting, air



conditioning, refrigeration and hot water systems. Specific end uses and technologies to be targeted are described below.

Small commercial projects will require an investment that will range between \$25K and \$100K and require a longer term to recover the investment and interest through savings. We will utilize ARRA and RRU funds to fashion broadened cash rebate program for these smaller commercial customers to make these investments more attractive. The program will be based upon underwriting a percentage of the initial investment, 20% to 30%, which is similar to many mainland programs now in effect. Over the next two years, ARRA funds will be displaced by WAPA rebates calculated upon the actual KW reductions and will be calibrated to the estimated useful life for each specific measure. Using this method, rebates paid will be higher for efficiency measures that have a longer economic life and a greater life cycle benefit.

VIEA will make use of this rebate program as opportunities are identified for specific retrofits and improvements for individual businesses. Customers would be directed to secure available rebates for each specific type of ECM to be installed. Again, local suppliers will be engaged in service provision wherever possible.

#### Residential:

Implementing a program to reduce residential energy use is always challenging because it requires the motivation of the largest numbers of decision makers. Fortunately for VIEA, the Territory's utility costs already create significant motivation for change. Success will require education and acceptance of alternative technology, coupled with financing strategies to counter the barriers created by first costs. Measures will feature replacing lighting, fans, hot water heaters, refrigerators and freezers with more efficient equipment. Where air conditioning exists, more efficient equipment can also be substituted. Just as importantly, water must be addressed with low flow toilets, faucet aerators, low-flow showerheads, and improvements to irrigation systems. Reinstating non-functioning cisterns will also be addressed. Solar hot waters, whenever cost-effective and storm-appropriate, are cost-effective substitutes for electric systems. Radiant barriers for roofs with air conditioning systems will be cost-effective in most locations.

While research and piloting will be needed to determine if the following delivery mechanism is compatible with the overall social attitude of the Territory, a residential sector model that has had great success on the mainland uses residential-specialized energy service providers to provide in-home site visits, sometimes door-to door, where low cost and no cost measures are installed. At the same time, work orders can be written for more costly and complex measures.

#### Energy Service Delivery:

The VIEA will select, by competitive procurement, 1-3 energy service companies (ESCOs) for each market sector - small and large residential, small and large commercial/industrial - based on their proven success, resources available locally, and standard offers (including fees) to customers. These ESCOs and their subcontractors will find the best opportunities for energy and water savings, design the improvements to customer facilities, procure and install the new/improved systems and equipment, establish with the customer how savings will be measured, and offer extended warranties or O&M contracts. In addition, the VIEA will engage an Independent Engineer to oversee designs, participate in commissioning, verify savings measurements, and maintain quality assurance.

The ESCOs will install improvements that are state-of-the-art but proven in equivalent applications. The technologies fall into four general classes:

1. efficiency improvements and conservation of energy and water consumption
2. local (distributed) generation, especially where waste heat can be used (cogeneration or combined hot water, cooling, and power plants)
3. where customers are willing to pay the premium, or where government/utility programs provide sufficient incentives, Renewable-Energy generation including solar, wind, geothermal, waste conversion, and other sources
4. “demand-response” controls to allow the customer to shape its load profile to real-time pricing of electricity, in response to price signals from suppliers and regional transmission operators.

VIEA will design, install, finance, and maintain a comprehensive range of energy- and water-saving improvements to the properties of their customers. Each of these retrofits—every intervention in consumer properties—must: (1) produce savings of energy, water, and maintenance costs great enough to pay for themselves out of reduced costs; (2) have their savings readily measurable and verifiable by an independent auditor; (3) increase comfort, reliability, health and safety, and the value of the property; (4) be operable and maintainable in a tropical environment over the whole life of the improvement, at a cost to be included in the calculation of payback; and (5) be 100% financeable by VIEA.

Demand reductions will be as important as efficiency increases in cutting WAPA's capacity needs and use of less-efficient peaking units. Thus VIEA will combine peak-demand reductions with energy and water conservation.

In the residential sector, where savings will actually be purchased from consumers by VIEA, the VIEA/WAPA team will collaborate in public education, distribution of informative/marketing materials, co-branding, certification of contractors, and inspections of work on a sampling basis. The team will provide a list of available home improvements that maximize savings, and ensure the items are locally available at reasonable prices. ARRA funds, including RRU, would be used to incentivize customer acceptance of those measures. WAPA purchase of demand savings, supplemented by an on-bill financing program, will enable the 5:1 leveraging sought by DOE.

Examples include:

- Solar water heating <sup>1</sup>
- Propane substitution for electric cooking and water heating
- Switches, timers, occupancy sensors, and behavioral changes to reduce demand and consumption of lighting, refrigeration, cooking, freezers, hot-water heating, fans, air conditioners, washers and driers, TV and other appliances
- LED, CFL, and electronic-ballasted fluorescent fixtures
- Maintenance practices such as filter replacement, sealing leaks, shading, etc.
- Water-use efficiencies including recirculation of waste water, low-flow showers and toilets, faucet aerators, sub-metering, and irrigation measures.
- Domestic-scale renewables including PV, solar domestic hot water, and architectural wind

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<sup>1</sup> Water heating can be as high as 30% of the average consumer's electric bill of \$150 per month



In addition, VIEA will sponsor innovative programs such as

- Community freezers to replace inefficient home units
- Purchase of inefficient air conditioners and refrigerators, sale of fans (allowing the consumer to decide among new efficient models or using less air conditioning/refrigeration)
- Energy storage systems to move demand off-peak
- Implanted radio-dispatchable switches to cycle loads like A/C, refrigerators, and hot-water heaters
- Establishing and training retail outlets for high-efficiency lighting, appliances, and other materials

Please do not hesitate to contact me at (340) 713-2426 or [bsmith@vienergy.org](mailto:bsmith@vienergy.org) if there are further question in this regard.

Sincerely,

Bevan R. Smith Jr.  
Director